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# INVESTIGATION OF CONCENTRATION OF ECONOMIC POWER

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## TEMPORARY NATIONAL ECONOMIC COMMITTEE

A STUDY BASED ON DATA OBTAINED IN A FIELD SURVEY OF LIFE INSURANCE POLICYHOLDERS CONDUCTED IN GREATER BOSTON IN 1939 AS A WORK PROJECTS ADMINISTRATION PROJECT SPONSORED BY THE SECURITIES AND EXCHANGE COMMISSION AND MADE FOR THE TEMPORARY NATIONAL ECONOMIC COMMITTEE, SEVENTY-SIXTH CONGRESS, THIRD SESSION, PURSUANT TO PUBLIC RESOLUTION NO. 113 (SEVENTY-FIFTH CONGRESS) AUTHORIZING AND DIRECTING A SELECT COMMITTEE TO MAKE A FULL AND COMPLETE STUDY AND INVESTIGATION WITH RESPECT TO THE CONCENTRATION OF ECONOMIC POWER IN, AND FINANCIAL CONTROL OVER, PRODUCTION AND DISTRIBUTION OF GOODS AND SERVICES

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### MONOGRAPH No. 2

## FAMILIES AND THEIR LIFE INSURANCE

### A STUDY OF 2132 MASSACHUSETTS FAMILIES AND THEIR LIFE INSURANCE POLICIES

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Printed for the use of the  
Temporary National Economic Committee



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MONOGRAPH No. 2

## FAMILIES AND THEIR LIFE INSURANCE

SUBMITTED BY

THE INSURANCE SECTION OF THE  
SECURITIES AND EXCHANGE COMMISSION

\*Alternates

## ACKNOWLEDGMENT

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The Temporary National Economic Committee is greatly indebted to these authors and other members of the Commission's staff for this contribution to the life insurance study.

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(Signed) JOSEPH C. O'MAHONEY,  
*Chairman, Temporary National Economic Committee.*



## FOREWORD

This report of the staff of the Securities and Exchange Commission is based upon data obtained in a field survey of life insurance policyholders conducted by the Commission in the summer of 1939 with the cooperation of the Work Projects Administration. The report was prepared by the Commission's Insurance Section under the general supervision of Commissioner Sumner T. Pike and Gerhard A. Gesell, special counsel. The conduct of the survey and the analysis of the results were undertaken by Donald H. Davenport, special economic consultant to the Commission's Insurance Section, and Anne Page, project director. Other members of the Commission's staff who assisted in the preparation of this report include: Leonard G. Levenson, Michael H. Cardozo, Myer H. Naigles, and Jack Dees.

Among those outside the Commission who contributed to the success of the project, special mention must be made of Hon. Charles F. J. Harrington, commissioner of insurance for the Commonwealth of Massachusetts, and Dean James M. Landis, of the Harvard University Law School. Commissioner Harrington permitted many technical questions that arose in connection with the survey to be referred to his office. Dean Landis provided classrooms for the training of enumerators and office space for field headquarters.

## Significant Facts Revealed by the Survey

Two thousand one hundred and thirty-two families and nine thousand fifty-three persons were enumerated. One thousand six hundred and sixty-six families carried insurance on the lives of 6,050 individuals, had an aggregate annual income of \$2,555,000, and spent \$125,000, or 4.92 percent of it, for \$4,069,000 of life insurance (p. 7; appendix table 1).

Seventy-eight out of one hundred families and 66 out of 100 people were carrying life insurance (p. 9; appendix table 1).

In families with insurance, 83 out of 100 men, women, and children were insured (p. 11).

Ninety-two out of one hundred families now hold or formerly held life insurance (p. 75).

Of those families now uninsured, 64 out of 100 previously had carried life insurance (p. 53).

Thirty-three out of every one hundred families enumerated were on relief and 25 out of 100 *insured* families were on relief; 60 out of 100 relief families were carrying insurance (pp. 8-9).

The amount of insurance carried on the average insured person was \$683 (p. 14).

Eighty-eight out of one hundred insured families held some *industrial* insurance and 42 out of 100 held *only* industrial insurance (p. 16).

Industrial insurance amounted to 49.6 percent of all insurance in force and accounted for 64 percent of all premiums paid (p. 42).

The lower the economic status of the family the greater was its dependence upon industrial insurance (p. 20).

The lower the economic status of the family the greater the proportion of family income paid for life insurance premiums (p. 46).

Nine and eight-tenths percent of the industrial policies had been in force less than 1 year; 49.2 percent for less than 5 years. Industrial policies in force for 10 years or more accounted for 27.2 percent of the total (pp. 31-37).

In the families with industrial insurance exclusively, relatively fewer bread-winners were insured than other members of the families (table 29, p. 146).

Forty-two and two-tenths percent of the premiums for industrial insurance were paid for *endowment* policies (table 13, p. 126).

Fifty-five and eight-tenths percent of the industrial endowment policies were issued on the lives of children under 10 years of age (table 13, p. 126).

Twenty-four and eight-tenths percent of all industrial endowment policies were issued on the lives of infants less than 2 years old (table 13, p. 126).

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## CHAPTER I

### Introduction

Sponsorship of the Report—Relation to the Securities and Exchange Commission and the Temporary National Economic Committee—Importance of Industrial Insurance—Selection of Massachusetts for Survey—Field Survey Organized as Work Projects Administration Project—Conduct of the Survey.

This is one of a series of reports prepared by the Insurance Section of the Securities and Exchange Commission in connection with its investigation of life insurance for presentation to the Temporary National Economic Committee.<sup>1</sup> It is based upon a field survey conducted to determine certain facts about the families holding industrial life insurance.<sup>2</sup>

Industrial insurance is a form of life insurance sold in small units primarily to low-income families by agents who collect premiums monthly or weekly at the homes of the insured.

There are approximately 90,000,000 industrial policies in force in this country held by about 50,000,000 people, a group considerably larger than that holding all other forms of life insurance. As of December 31, 1937, there was \$20,591,000,000 of industrial insurance in force in the 138 companies engaged in its sale. These companies received from their 50,000,000 industrial policyholders premium payments amounting to approximately three-fourths of a billion dollars during that year alone.<sup>3</sup>

The testimony before the committee disclosed that industrial insurance is frequently sold by high-pressure sales methods. Furthermore, though distributed primarily to low-income families it was found to be the most expensive form of life insurance sold. As a result of many factors, including selling pressure and high cost, it was revealed that a large percentage of industrial insurance lapsed. It further appeared that the high-pressure selling method frequently resulted in an unwise distribution of industrial policies on the various members of a family group.

<sup>1</sup> See Public Res. No. 113, 75th Cong., ch. 456, 3d sess. (S. J. Res. 300), being a joint resolution to create a temporary national economic committee; and a message from the President of the United States transmitting recommendations relative to the strengthening and enforcement of antitrust laws. 75th Cong., 3d sess., S. Doc. No. 173.

<sup>2</sup> Protracted hearings were held on this subject before the Temporary National Economic Committee during the period from August 23, 1939, to September 7, 1939. At this time detailed testimony was taken from company executives, managers, agents, and other persons familiar with the operations of the industrial life insurance business. Among other matters considered in the course of the hearings were the general purposes and characteristics of this type of insurance; its cost, the methods and circumstances under which it was sold; lapse; activities of insurance counselors; policy provisions; laws applicable to industrial insurance, and related matters. See Part 12, "Hearings before the Temporary National Economic Committee, Congress of the United States, 76th Cong., 3d sess., pursuant to Public Res. No. 113 (75th Cong.), authorizing and directing a select committee to make a full and complete study and investigation with respect to the concentration of economic power in, and financial control over, production and distribution of goods and services," (hereafter referred to as Part 12 or Pt. 12).

<sup>3</sup> See Pt. 12 R. 5597, 5598, and 5955; also Ex. Nos. 945, 948, 949, and 950.

Instances of maldistribution were presented by several witnesses. Evidence taken indicated that frequently an excessive amount of industrial insurance was sold to a given family, that large percentages of the family income were used for industrial premiums, and that endowment and other expensive policy types received undue emphasis. Testimony indicated that due to the complexity of the agency system, the wide variations in policy forms, and the sale of industrial policies by several different companies to the members of the same family, the insurance holdings of many families were not adjusted to meet their economic circumstances. Evidence presented on these subjects is not entirely conclusive, it being difficult to determine to what extent the cases brought to the committee's attention represented unusual situations rather than typical situations. The witnesses who testified had in the main obtained their information through their association with relief agencies or insurance-counselor services. The testimony was, however, more than sufficient to raise certain questions of great economic and social significance. Some of these may be briefly mentioned. It was important, for example, to know whether families which hold industrial insurance also hold other kinds of life insurance. If so, what kinds? To what extent is insurance carried on the breadwinner in the family, and to what extent on the dependents? How much insurance is sold on the lives of children? How much on the lives of adults? What is the cost of carrying this insurance? What percentage of the family income is paid for it? Does the economic status of the family have any bearing on the kinds of insurance it holds?

In seeking more comprehensive information on these problems it was found that there were no records which would enable the inquirer to determine the percentage of family income spent on industrial insurance, the types of policies held within a given family group, or the manner in which such policies were distributed among members of the family. This was due in part to the fact that insurance company records were maintained by policy number rather than by family name and to a considerable extent kept on file at various district offices where the policies were sold. Furthermore, no company had information as to policies held by its policyholders in other companies. It was also recognized that the sale of industrial insurance did not preclude the sale of ordinary, group, and fraternal insurance to the same family and even to the same policyholders. As a result, therefore, it became apparent that no information could be obtained concerning the ultimate distribution of this form of insurance without going to the policyholders themselves. Obviously, such an undertaking presented many complications. Any effort to communicate with 50,000,000 policyholders was impossible. It was, therefore, decided to make a survey of a selected group of policyholders and to examine minutely policies and premium receipt books in order to find out from original sources the exact nature of the insurance holdings in particular families.

It was felt that a survey limited to a small group of policyholders and made on a basis which assured the greatest possible accuracy under the circumstances was desirable. Massachusetts was chosen as the State in which to make this survey chiefly for the reason that it is a State in which the regulation of life insurance is relatively stringent in comparison with most other States. Its laws, particularly those affecting industrial insurance, have been considered among the best. Moreover, there were only four companies selling industrial insurance

in Massachusetts. These included the three largest companies selling industrial insurance: The Metropolitan Life Insurance Co., the Prudential Insurance Co. of America, the John Hancock Mutual Life Insurance Co., and one small company, the Boston Mutual Life Insurance Co. It was presumed that by limiting the survey in this manner it would be more conservative in character and would be simpler in presentation than one conducted, for example, in Maryland where 27 companies, including many companies shown to have adopted the most extreme forms of sales pressure, are authorized to sell industrial insurance. As the survey was necessarily restricted in the amount of time and money that could be devoted to it, the decision was made to limit the families to be enumerated to those living in industrial areas within Greater Boston; areas that could be reached easily from the project's offices in Cambridge.

The field survey which produced the facts upon which this report is based was organized as Project No. 20123 of the Work Projects Administration. Actual field enumeration was conducted during August, September, and October of 1939. The enumerators and field supervisors chosen to conduct the survey were selected from the Massachusetts W. P. A. rolls and were in most cases men who had had previous experience as life-insurance agents. Thus they were familiar with many of the technical details involved and were experienced in house-to-house canvassing. Enumeration was further facilitated by the selection of personnel qualified to speak the languages of the policyholders with whom they came in contact. This not only facilitated enumeration but made for greater accuracy in the final results. Foreign languages spoken by the enumerators included Spanish, French, German, Russian, Polish, Lithuanian, Yiddish, Italian, Portuguese, Arabic, and Syrian.

The enumerators were carefully instructed<sup>4</sup> as to the objectives of the survey. Each was sworn to treat as confidential the information revealed to him by the families: Each was provided with an identification card carrying his photograph and certifying him as an accredited agent of the United States Government.<sup>5</sup> In addition to direction in the proper filling out of the schedules, it was impressed upon all those engaged in the survey that they were not to criticize any insurance company or plan of insurance; that they were to give no advice regarding insurance, and that they could not force anyone to give the information desired.

Most of the families upon which enumerators were instructed to call were notified by letter<sup>6</sup> of the fact that a properly accredited agent of the United States Government would call upon them to obtain certain information. The use of such letters tended to weaken the natural reticence of individuals with respect to family affairs and reduced the number of refusals. In general, the information sought was readily given.

The information obtained from each family was entered by the enumerator at the time of the enumeration on a prepared schedule.<sup>7</sup> The schedules were checked in the office of the survey for internal consistency, and where any question of accuracy or interpretation arose the enumerator or the field supervisor was sent back to the

<sup>4</sup> See p. 84.

<sup>5</sup> See p. 83.

<sup>6</sup> An example of these letters is reproduced as appendix 2, p. 82.

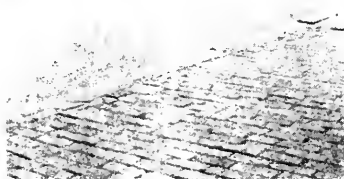
<sup>7</sup> A copy of the schedule is reproduced as appendix 1, p. 79.

family to verify the data. After all schedules were completed in the field they received careful scrutiny by members of the Commission's staff. Official rate books, annual dividend schedules, and specimen policy forms were employed to verify the policy information entered on the schedules. In addition, adjustments<sup>8</sup> were made to show the actual amount of insurance in force as well as the actual cost of premiums on an annual basis after making allowance for dividends. It should be emphasized that the results summarized in this report are all based upon these *adjusted* figures for premiums and the *adjusted* amounts of insurance in force. In this respect it is believed that this study is unique.

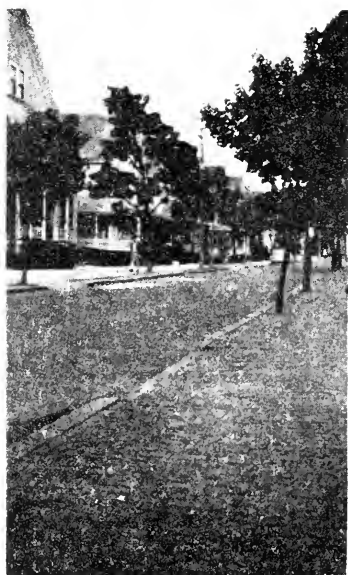
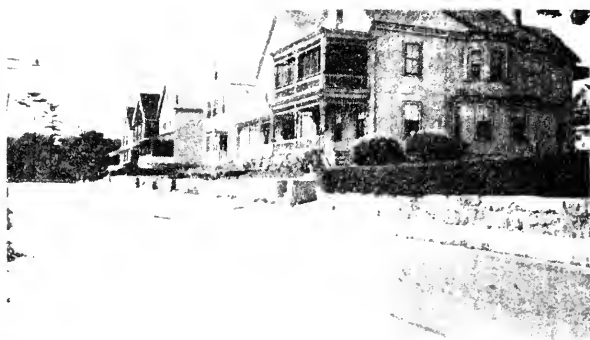
It is not claimed that the conditions in the areas surveyed are necessarily typical; indeed, there are many reasons to believe that they may be somewhat better than those existing elsewhere. Nevertheless, it is felt that the conditions described in this study apply to a very large proportion of the population. It is hoped that this study will throw some light upon a complex problem of great social importance—the character of the present distribution of life insurance—particularly among those low-income families primarily dependent upon industrial insurance.

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<sup>8</sup> See appendix 5, p. 94.



TYPICAL HOUSING CONDITIONS IN BLOCKS SURVEYED.



TYPICAL HOUSING CONDITIONS IN BLOCKS SURVEYED.



## CHAPTER II

### Description of the Areas Covered in the Survey and the 2,132 Families Reported

Housing Conditions—Population—Nationalities—Relief  
Status—Size of Families—Economic Status

Metropolitan Boston (chart 1, p. 6) is not unlike a great many other American industrial communities. Its population is cosmopolitan. Industries and occupations are widely diversified. The economic status of metropolitan Boston families is much the same as in other urban centers.

Since the primary purpose of the survey was to study the holders of industrial insurance, and since industrial insurance is sold almost entirely to families in the lower-income groups, no attempt was made to include areas occupied by families in the higher income groups. Nevertheless, the areas selected varied over a wide range of conditions. At one extreme were blocks consisting of tidy well-built single or double houses, with plenty of light and air, and with attractive flower or vegetable gardens. At the other extreme were congested tenement blocks where there was little air and sunshine and where the views consisted of littered alleys and areaways.<sup>1</sup>

Between these extremes of living conditions was the group on which the survey was concentrated. Of the 35 separate groups of families selected for enumeration, there were some at each end of the scale, but the majority consisted of areas in which the housing conditions were intermediate. Each of the groups selected, except 2, consisted of families living in city blocks, within definite street boundaries, where the housing conditions were fairly homogeneous. All families in these "blocks" were considered as within the scope of the survey. Of the 2 other groups one was composed of Negro families which were enumerated where they were found in different sections of the city, and 1 was composed of families residing in a low-rent housing project of the United States Housing Authority. Since it would have been impracticable to cover all of the families living there, approximately one-fifth of these families were called upon.

**Population.** There were 3,548 families in the blocks selected.<sup>2</sup> Full and complete schedules were obtained from 2,132 of these families, or almost two-thirds of the families living in the areas selected. The remaining third of the families were away, sick, quarantined, or unwilling or unable to give complete information. In some cases they were unable to show their policies because they were kept for them by persons living elsewhere; in other cases their policies were in the custody of their insurance companies. There were some instances where families refused to give the information requested.<sup>3</sup>

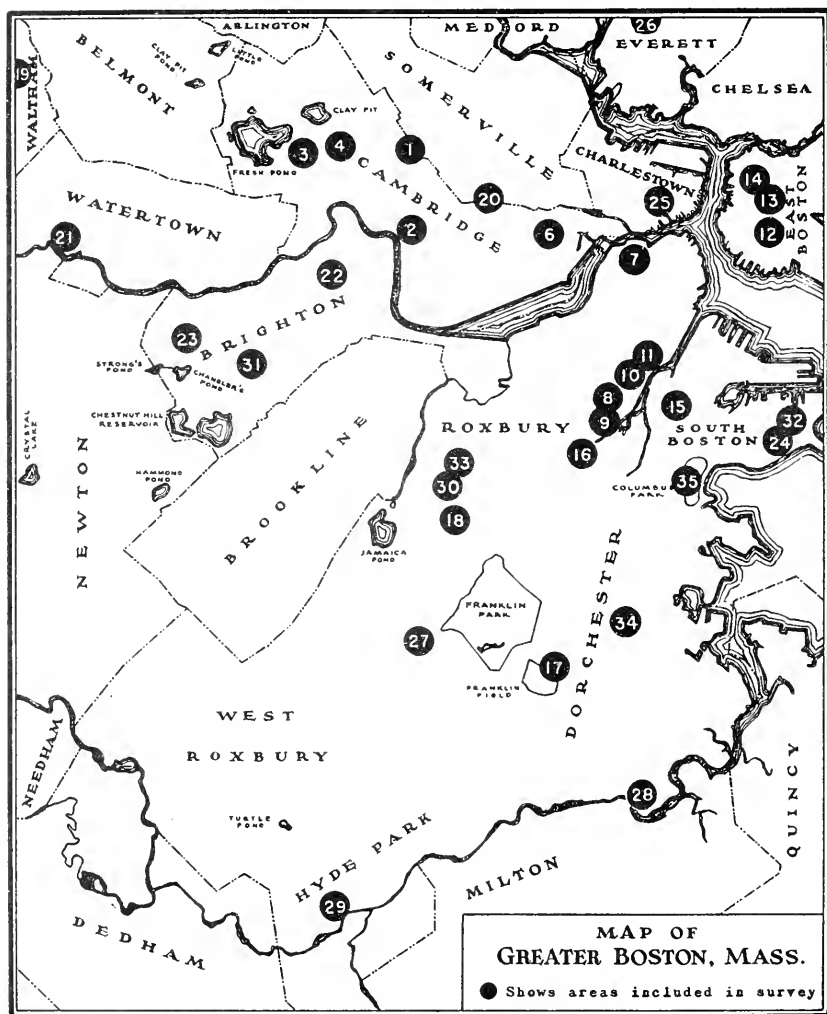
<sup>1</sup> Illustrations of typical housing conditions in blocks surveyed appear in pp. 4-5, 74-75.

<sup>2</sup> The count was made from the most recent city directories, police lists, and voting lists.

<sup>3</sup> In this connection it might be noted that there were a number of families which gave information about their income and relief status but which, on advice from their insurance agents, refused to give information about their policies.

CHART 1

# LOCATION OF AREAS COVERED IN SURVEY OF LIFE INSURANCE POLICYHOLDERS



*Blocks surveyed: Principal characteristics of population*

Block designation	Race or mother tongue <sup>1</sup>	Total number of families <sup>2</sup>	Families reporting complete information			
			Number	Number of family members <sup>3</sup>	Annual income	Average annual income per family member
1	American, Irish .....	115	44	148	\$70,356	\$475
2	Irish, American .....	72	34	109	45,388	416
3	Irish, Italian .....	76	28	118	53,297	452
4	Irish, American .....	80	30	129	58,356	452
5	Negro .....	70	54	225	56,798	252
6	Portuguese, American, Polish, Italian .....	63	50	231	63,874	277
7	Italian, Polish .....	49	26	93	25,984	279
8	Irish, American, Italian, Syrian .....	156	106	366	121,773	333
9	Irish, Syrian, Italian .....	145	94	327	120,543	369
10	Italian, Syrian, Greek, South European .....	42	30	108	32,968	305
11	Syrian .....	52	31	123	29,529	240
12	Italian .....	220	148	773	174,695	226
13	do .....	108	70	305	86,361	283
14	Italian, American, French-Canadian .....	95	46	169	68,820	407
15	Irish, American .....	89	54	252	58,759	233
16	Irish, American, English, Canadian .....	160	97	330	95,765	290
17	Jewish .....	120	67	269	106,309	395
18	Irish, American, French .....	70	44	196	55,194	282
19	American, Irish .....	95	69	266	124,741	469
20	American, Italian .....	143	103	446	149,777	336
21	Irish, American, Italian .....	83	50	253	93,499	370
22	do .....	117	93	367	132,015	360
23	Irish, American, French-Canadian .....	143	80	348	132,808	382
24	Irish, Italian, American .....	136	75	336	109,503	326
25	Irish .....	89	44	178	75,203	422
26	American, Irish, Italian, French-Canadian .....	76	49	172	94,077	547
27	Irish, American, French-Canadian .....	119	41	164	64,474	393
28	Irish, American .....	58	42	190	69,723	367
29	Irish, American, Italian .....	91	56	237	100,900	426
30	Irish, American, German .....	88	52	228	82,448	362
31	Italian, Irish .....	142	95	443	125,040	282
32	Irish, American, Lithuanian .....	71	36	147	51,297	349
33	American, German .....	46	22	89	31,046	349
34	American, French-Canadian .....	149	57	236	96,531	409
35	Irish, American .....	120	115	423	155,572	368
Total .....		3,548	2,132	8,794	3,013,423	343

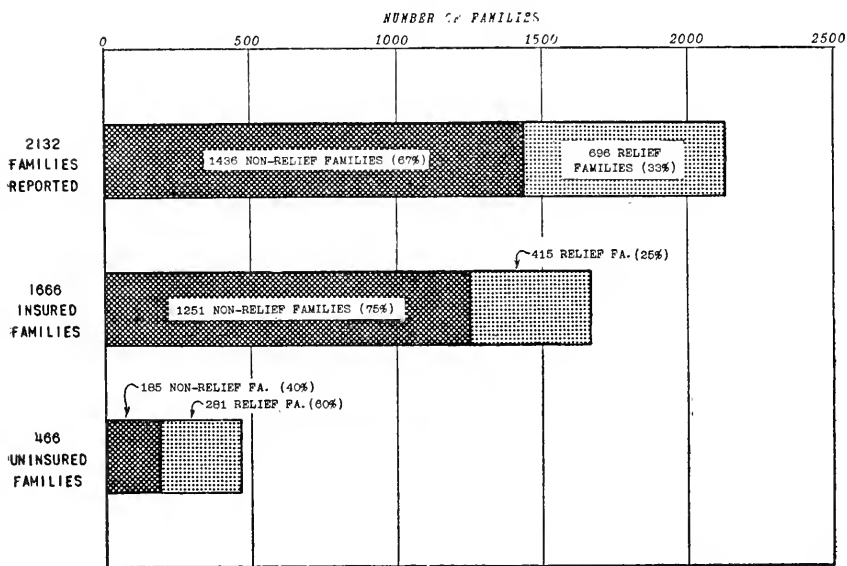
<sup>1</sup> Families were classified as to the race or mother tongue of the head of the family.<sup>2</sup> From city directories, police lists, and voting lists.<sup>3</sup> In addition, there were 259 persons living away from family for whom insurance premiums were paid out of family income.<sup>4</sup> Represents the number of families on whom enumerators called.

The 2,132 families whose schedules were complete had 8,794 persons living at home. In addition, these families paid insurance premiums on 259 other persons who were living away from the family and who for the most part were contributing nothing to the family income. Most of these persons were sons or daughters who recently had married or had found jobs at a distance too great to permit them to live with their families. A few, however, were friends for whom the family felt responsibility in regard to burial expenses.

**Relief status of insured and uninsured families.** A preliminary examination of family schedules led to the recognition that families "on relief" constitute a group quite different from those not on relief. The relief families, as might be expected, were concentrated in the lowest income groups. Their insurance characteristics followed generally a different pattern from that of the nonrelief families. There were several reasons for this. One was, of course, the difference in incomes. Another was the common belief among the low-income families, as reported by the enumerators, that families applying for relief would be obliged to divest themselves of all insurance.<sup>4</sup> Overseers of the public welfare in the city of Boston, and officials of the

CHART 2

## RELIEF STATUS OF INSURED AND UNINSURED FAMILIES



Source: Tables 1 and 2

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city department in charge of welfare, confirmed the reports of the enumerators that this belief was widespread, and undoubtedly had had its effect on the insurance holdings of welfare clients. It could not be ascertained that there had ever been a declared policy of the board of overseers providing that welfare recipients should give up all their insurance holdings. It was stated officially, however, that it was possible that individual social workers, before the creation of the insurance division of the board of overseers, might have recommended the discontinuance of premium payments. Whatever the reason for the origin of the belief that welfare recipients could not hold insurance, that belief may have some bearing on the fact that 40 percent of the 696 relief families reported in the survey had no insurance, whereas only 13 percent of the 1,436 nonrelief families

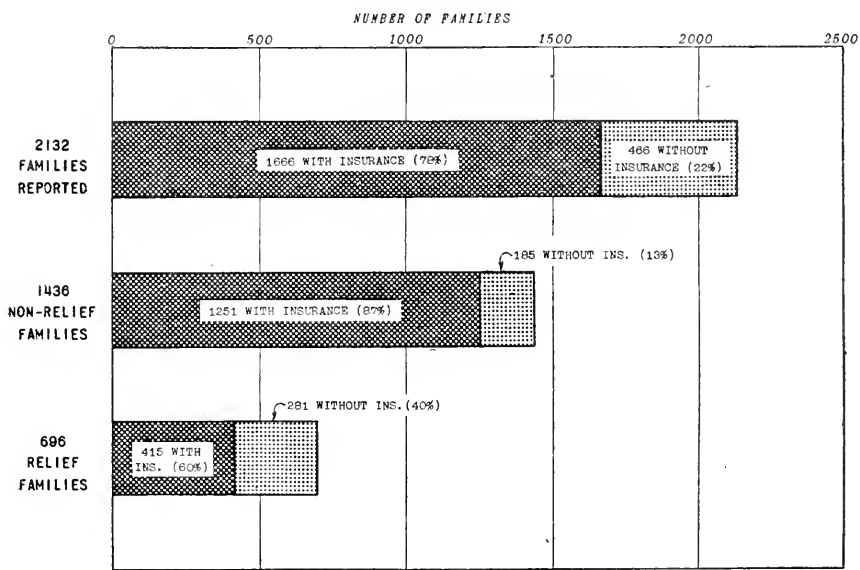
<sup>4</sup> When the term "insurance" is employed in this report it refers to life insurance. Although the schedules (see Appendix 1, p. 79) contained spaces for the entry of sickness, accident, health, and hospitalization insurance policies, few of these were found and they were not included in the analysis.

carried no insurance. Furthermore, it might be noted that of the uninsured relief families reporting previous insurance holding, some 69.4 percent reported that, although uninsured at the time of the survey, they had carried insurance in the past.<sup>5</sup>

Among the relief families which were carrying insurance when the survey was made, there were many which had a program of insurance entirely different from those commonly found among the nonrelief families. This may have been due to the advice of the Life Insurance Adjustment Bureau, an organization established in 1931 by the three major companies issuing industrial life insurance—the Metropolitan, the Prudential, and the John Hancock. Its services have been available to families which applied to the proper authorities for welfare.

CHART 3

## INSURANCE STATUS OF RELIEF AND NON-RELIEF FAMILIES



Source: Tables 1 and 2

DS-1475 Prepared by Sec. &amp; Exch. Comm.

Through the Insurance Division of the Overseers of the Public Welfare, many of the families receiving welfare from the city of Boston have had their insurance holdings materially changed by the Life Insurance Adjustment Bureau. In metropolitan Boston, outside of the city itself, there are no divisions of the municipal public welfare organizations like the insurance division in Boston. Welfare recipients outside the city are advised by social workers, and the insurance holdings in these families conform more closely to the holdings of nonrelief families.

One-third of the 2,132 families covered in the survey were totally or partially supported by some form of relief. Among the 466 families in the uninsured group 60 percent were on relief. The 1,666 insured families showed quite a different picture, since only one in four of these families was receiving relief.

<sup>5</sup> This subject is dealt with more fully in chap. V, p. 51 and table 35, p. 152.

**Size of families.** Only those persons who were living with their families or who were only temporarily away from home were counted as members of a family. As may be seen in the accompanying figures, a wide range exists in the size of families. The variation extended all the way from 120 single-member families to 41 families which consisted of 10 or more persons. The largest of these families contained 16 bona fide members. The typical families were those with three or four members. There were 453 three-member families and 448 four-member families. Together, families of three or four persons accounted for 42 percent of the entire number of families covered in the survey.

The bearing which size of family has on insurance status is revealed below in the figures which show for families of each size the number and percentage which were insured:

*Insurance status as related to size of family*

Family size, members	Number of families		Insured families as a percent of total in each size class
	Total	Insured	
10 and over.....	41	28	68
9.....	36	29	81
8.....	66	44	67
7.....	133	108	81
6.....	186	149	80
5.....	294	226	77
4.....	448	382	85
3.....	453	387	85
2.....	355	256	72
1.....	120	57	48
Total.....	2,132	1,666	78

Source: Table 4, p. 110.

From the foregoing figures it appears that single persons living alone (here designated as one-member "families") exhibit the least tendency to carry insurance as only 48 percent of 120 such "families" were insured. Of the two-member families, 72 percent were insured and 85 percent of both the three- and four-member families were insured. Up to families of this size the increase in the number of family members was accompanied by an increase in the proportion of insured families. For families larger than four members, however, the proportion declined. It is not until families are segregated into relief and non-relief families that the explanation is found. In the *nonrelief* families of the larger sizes, the proportion of families insured is consistently around 90 percent. There is, however, in connection with the larger *relief* families, a marked tendency for the proportion of insured families to decrease with an increase in the size of the family. For the entire group of families 87 percent of those not on relief were insured, compared with 60 percent for those on relief.

*Size, relief, and insurance status of families*

Size: Number of family members	Number of nonrelief families			Number of relief families			Percentage of families on relief
	Total	Insured	Percent insured	Total	Insured	Percent insured	
9 and over.....	43	40	93.0	34	17	50.0	44.2
7 and 8.....	110	101	91.8	89	51	57.3	44.7
5 and 6.....	304	271	89.1	176	104	59.1	36.7
3 and 4.....	673	608	90.3	228	161	70.6	25.3
1 and 2.....	306	231	75.5	169	82	48.5	35.6
Total.....	1,436	1,251	87.1	696	415	59.6	32.6

Source: Table 4, p. 110.

Moreover, except for the one-member families (of which 52 percent were on relief) larger percentages of the families with over four members were on relief than in the case of smaller families. The three- and four-member families predominate and it is these families that show the smallest percentages (25 percent) on relief. The highest percentages in any size group on relief occurs in the families of 10 or more members where 22 out of 41 families (54 percent) were found on relief. The contrast in insurance status between the large relief and nonrelief families is striking. Whereas 92 percent of the nonrelief families of 7 and more persons were insured, there were only 55 percent of the relief families in this size group insured.

**Individual members of insured families—Percentage insured as related to size of family.** An inquiry was also made to determine the nature of the relationship between size of family and the proportion of the family members insured. In the 1,666 insured families there were 6,959 family members, of whom 5,791, or 83.22 percent, were insured. Classifying the families separately according to size, the results shown below were obtained.

Size of families	Number of families	Total number of members	Number of insured members	Percent insured
10 and over.....	28	308	202	65.58
9.....	29	261	215	82.38
8.....	44	352	295	83.81
7.....	108	756	636	84.13
6.....	149	894	762	85.23
5.....	226	1,130	961	85.04
4.....	382	1,528	1,256	82.20
3.....	387	1,161	968	83.38
2.....	256	512	439	85.74
1.....	57	57	57	100.00
Total.....	1,666	6,959	5,791	83.22

NOTE.—It will be observed that 100 percent of the 1-member families were insured. This result follows from the fact that the above figures relate to insured families only. Consequently, every one of the 57 persons in the 1-member families was insured.

The figures showing the proportion of the total number of family members insured in families consisting of from 2 to 9 persons, inclusive, average approximately 84 percent and vary within narrow limits. It appears, therefore, that except for the 1-member families and the families with 10 or more members the same tendency to insure family members exists in all families regardless of size.

**Economic status of families.** In this study the annual income of each family was determined. The annual income included not only the earnings of the family members, but the value of commodities received from charities, net profits from any real-estate or other business operations.<sup>6</sup> The aggregate annual income for the 2,132 families was \$3,013,423. The families showed a wide variation in their incomes, ranging from families which had no income and were living entirely on savings, to three families with five or more breadwinners each of which had annual incomes of over \$6,000. (See table 15, p. 129.) The average family income, however, was \$1,413.<sup>7</sup> A comparison of the incomes of the families covered in this survey with incomes as found in other Government studies indicates that they were typical of those of the great bulk of urban working class families in the United States.<sup>8</sup>

There are distinct disadvantages in using the *total* family income as a measure of the economic status of a family, particularly in a study of family problems in relation to life insurance. Possible expenditures for life-insurance premiums, or in fact any other need of the family, would be entirely different in a family consisting of two persons with an income of \$1,400 a year and another family of five persons with the same income. In one case there is an average annual income per family member of \$700, and in the other of only \$280. It is obvious that these two families do not belong in the same economic category. Because of this fact the measure of family economic status in this report has been based on the average annual income *per family member*. This average annual income per family member for all families covered in the survey was \$343. That economic status affected insurance status is evident from the fact that the average annual income per family member was larger in the families with insurance than it was in the families without insurance. In the insured families the average was \$367 and in the uninsured families \$250. (See table 3, p. 109.)

In the preceding pages families were considered as insured if any insurance was carried on any member, regardless of the amount. In the following chapter consideration will be given to the quantitative as well as to the qualitative aspects of families and their insurance policies.

<sup>6</sup> See appendix 5, p. 94, for description of method followed in establishing income in dollars.

<sup>7</sup> See tables 3 and 5, pp. 109 and 110, for data on family incomes and incomes per family member.

<sup>8</sup> Compare: Consumer Incomes in the United States, National Resources Committee, U. S. Government Printing Office, Washington, D. C., 1933; Family Expenditures in New York City, 1935-36, U. S. Department of Labor, Bull. No. 643; Family Income in Chicago, 1935-36, U. S. Department of Labor, Bull. No. 642.



## CHAPTER III

### Life Insurance in Force in the 2,132 Families Reported

Number of Policies and Amounts of Insurance in Force—Classes and Combinations of Classes of Insurance—Life Insurance Companies—Insured Families and Policyholders—Economic Status, Age and Sex of Policyholders—Plans of Policies in Different Classes of Insurance—Plans in Relation to Nationalities and Ages of Policyholders—Policies and Years in Force.

**The number of policies and amounts of insurance in force.** Most of the families interviewed either had life insurance in force at the time of enumeration, or had been insured at some time in the past. Many of them showed the enumerators policies which were no longer in force, or policies on which they had ceased paying premiums but which were in force as extended or paid-up insurance. Often the persons interviewed had no idea whether the policies were in force or not. Frequently they did not know how many policies they had or on how many they were paying premiums. It was, therefore, necessary for the enumerators to examine all policies held by the family and to check them against the premium receipt books.<sup>1</sup>

It was found that there were 10,150 life-insurance policies actually in force among the 2,132 families enumerated. This is an average of 4.8 policies per family for all families surveyed whether insured or not. The average number of policies for the 1,666 insured families alone was 6.1 policies per family. The total amount of insurance in force<sup>2</sup> was \$4,069,385. The average amount of insurance per policy, therefore, was \$401. (See table 6, p. 111.)

Although the insured families carried insurance on only 83 percent of their members, they were paying the premiums on life-insurance policies of 259 individuals who did not live with their respective families.<sup>3</sup> In the study these 259 individuals "living away from their families" have not been considered as members of the family. These 259 persons added to the 5,791 family members who were insured makes a total of 6,050 insured individuals. In order to establish an average number of policies and an average amount of insurance per insured person living with their respective families for whom the data are presumably complete,<sup>4</sup> the calculations were based upon the 5,791 such insured persons. These 5,791 insured persons had 9,782 policies

<sup>1</sup> A premium receipt book obtained from one of the families is reproduced in the appendix by permission of the policyholder. An examination of it will help understand the confusion frequently found with respect to policies, premiums, and dividends.

<sup>2</sup> The amount of insurance in force is defined as the amount that would have been paid by the issuing company to the beneficiary under the particular policy had death taken place on the date of enumeration. This amount may be less or more than the amount stated in the policy, depending on the age of the insured, the age of the policy and the mortality or other dividend rates established by the issuing company. See appendix 5 for a description of the method used in determining the amount of death benefits.

<sup>3</sup> See also table 37, p. 153.

<sup>4</sup> It is quite likely that the 259 other persons had insurance in addition to that represented by the policies held and paid for by their families, but, of course, it was impossible to determine such information in this survey.

for a total amount of \$3,954,319 insurance in force. Therefore, the averages are 1.69 policies and \$683 insurance per insured person.

*Data in connection with insured persons*

	Number of persons	Number of policies	Policies per person	Amount of insurance	Insurance per person
Living with families.....	5, 791	9, 782	1. 69	\$3, 954, 319	\$683
Not living with families.....	259	368	1. 42	115, 066	444
Total.....	6, 050	10, 150	1. 68	4, 069, 385	673

**Classes of insurance.**<sup>5</sup> Four main classes of life insurance are recognized in this study: (a) Industrial, (b) ordinary, (c) group, and (d) fraternal. Wide differences exist in the methods employed in distributing these different classes of insurance, in the plans upon which they are written, and in their costs to the policyholders. For example, industrial insurance (to which particular attention was directed in this study) and group insurance are customarily sold without medical examination, whereas ordinary policies and fraternal policies are usually issued only after a medical examination indicates that the applicant is a satisfactory risk.

In the case of group insurance a group of persons, usually employees of a single employer, are insured under a master policy which provides benefits for each employee who participates in the program. This form of insurance is written on a yearly term basis, the master policy being renewable by the employer each year. Ordinary and industrial insurance, on the other hand, are issued on an individual policy basis and are usually so arranged that the policy contract does not need to be renewed annually.

The ordinary insurance policy is customarily written in units for a face amount of \$1,000 or more and premiums are payable annually, semiannually, or quarterly. The industrial policy, which is primarily sold to persons in the lower-income brackets, is for smaller amounts and weekly premiums are generally collected by house-to-house agents who call at the homes of the policyholders. There is in addition an intermediate class of insurance sold in units greater than \$500 on which premiums are collected monthly. Sometimes the issuing company called this ordinary and sometimes industrial. It was classified here in conformity with the designation given by the issuing company in each case.

Industrial insurance customarily includes as an integral part of the contract the double-indemnity clause, a provision doubling the benefit in case death occurs from accidental causes. It also includes a clause waiving the payment of premiums in the case of total and permanent disability to the insured. These provisions are also available in ordinary insurance but usually only upon the payment of an extra premium.

The selection of either industrial or ordinary policies by the insured may be said to result more from the independent negotiation of the individual and the agent than in the case of either group or fraternal

<sup>5</sup> See appendix 4, p. 84.

policies. Both industrial and ordinary policies are sold in units of different amounts, on a wide variety of plans and at different premium rates so that the peculiar needs of the individual family may be met. When group insurance is found in force, its presence cannot be attributed to the free selection by the insured of that class of insurance. Rather it exists because the employer of the insured exercised his initiative to purchase insurance at "wholesale rates" for the benefit of his employees. Inasmuch as employers often pay a part and sometimes all of the premiums on group insurance there are strong reasons why as much as possible of it is taken out by most of those to whom it is available. It should be noted that the amount of group insurance of any individual is usually the approximate amount of his annual wages. Group insurance is written on the "term" plan only. Moreover, inasmuch as the group contract is between the employer and the life insurance company, it is generally available to the insured only so long as he remains in the service of his employer.

Fraternal associations, lodges and orders, such as the Knights of Columbus, the Woodmen of the World, and the Odd Fellows, issue life insurance very similar to the ordinary insurance but it is issued to members only and premium payments are frequently included as part of the membership dues. Insurance is also issued to members only by such associations as the Boston Firemen's Mutual Benefit Association. Whether originating as "fraternal" or "mutual benefit," all insurance of this general type has been classified in this study as fraternal insurance.

Savings bank life insurance,<sup>6</sup> although available in units as small as \$100, is not sold on the weekly premium plan. It has been classified as ordinary insurance in this study but in many tables is shown separately.

**Classes of insurance—Policies.** One measure of the importance of the different classes of life insurance in the families surveyed is the number of separate policy contracts. There were 10,150 policies in force in the 1,666 insured families. (See table 7, p. 113.) They were divided among the different classes of insurance as follows:

Industrial policies.....	8, 214
Ordinary <sup>7</sup> policies.....	1, 265
Group certificates.....	395
Fraternal policies.....	276
Total.....	10, 150

In considering the roles played by the different classes of insurance, it is interesting to note that average amounts of insurance in force per policy vary as follows:

Group.....	\$1, 151
Ordinary <sup>8</sup> .....	1, 110
Fraternal.....	691
Industrial.....	246

<sup>6</sup> See testimony of Hon. Judd Dewey, deputy commissioner of savings bank life insurance in Massachusetts, in the hearings before the Temporary National Economic Committee, Part. 10, pp. 4449 et seq.

<sup>7</sup> This includes 129 policies issued by savings banks.

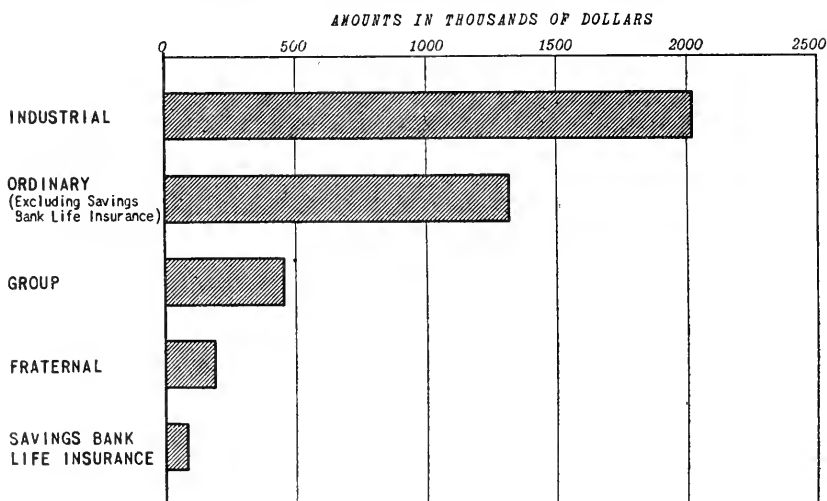
<sup>8</sup> If the 129 savings bank policies are treated separately, the average ordinary policy becomes \$1,161. The average savings bank policy represented \$656 of insurance. (See table 8, p. 115.)

**Classes of insurance—Amounts in force.** The relative importance of the different classes of insurance may be judged by the amounts of each in force appearing below.

Industrial.....	\$2, 020, 158
Ordinary <sup>9</sup> .....	1, 404, 024
Group.....	454, 597
Fraternal.....	190, 606
<hr/>	
Total.....	4, 069, 385

These amounts are shown graphically in chart 4 on this page. There is no question but that industrial insurance was the most significant class of insurance found among the families surveyed,

CHART 4  
CLASSES OF INSURANCE IN FORCE



Source: Tables 7 and 12-A

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since it accounted for almost as much insurance as all the other classes combined. Compared with ordinary insurance, the next in importance, industrial policies accounted for 44 percent more insurance than is accounted for by the ordinary policies. The amount of industrial insurance was over 4 times the amount of group insurance and 10 times the amount of fraternal insurance.

**Classes of insurance—Combinations.** One important fact developed in the survey throws some light upon the source of the complexity frequently found in family insurance programs. The different classes of life insurance, referred to in the preceding section, were found singly and in all manner of combinations in different families. This situation is described in the figures that follow and is portrayed graphically (chart 5) on the opposite page.

It will be noted that of the 1,666 insured families, 1,463 held industrial insurance, and 701 held no other kinds of life insurance.<sup>10</sup>

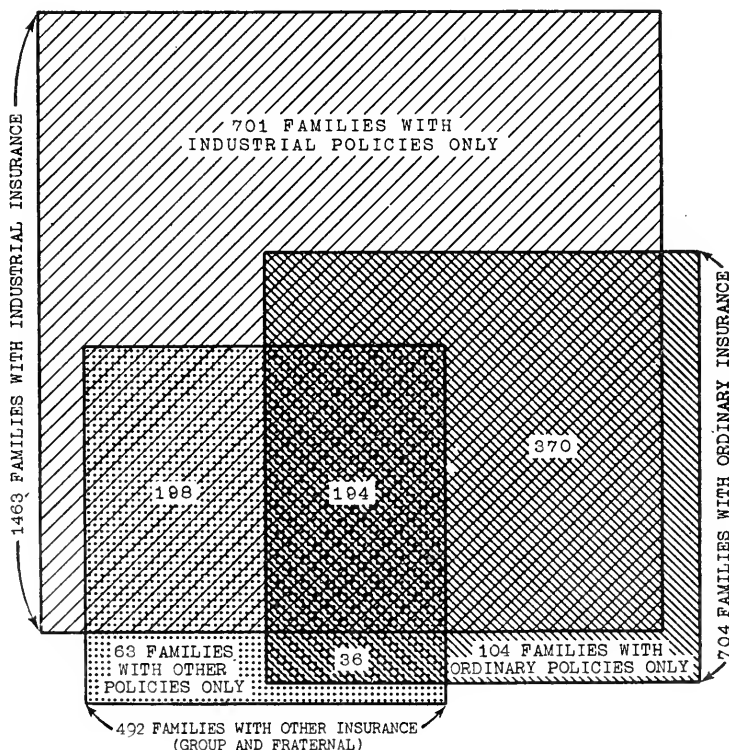
<sup>9</sup> The amount of savings bank life insurance included in ordinary is \$84,586.

<sup>10</sup> In many of the subsequent analyses, this group of 701 families will be treated separately. It is composed of families that rely entirely upon industrial insurance for their financial protection.

	<i>Families</i>
Industrial life insurance only.....	701
Industrial and ordinary only.....	370
Industrial and group and/or fraternal only.....	198
Industrial and ordinary, group and/or fraternal only.....	194
Subtotal.....	1,463
Ordinary, only.....	104
Ordinary and group and/or fraternal only.....	36
Group and/or fraternal only.....	63
Total.....	1,666

CHART 5

DUPLICATION IN USE OF INDUSTRIAL, ORDINARY AND  
OTHER CLASSES OF LIFE INSURANCE BY THE  
1666 INSURED FAMILIES



Source: Table 6

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On the chart above it will be seen that the 1,463 families with industrial insurance are represented by the largest square. The middle-size square represents the 704 families, which had ordinary insurance in force, and the smallest square represents the 492 families with "other"

kinds of insurance (i. e., group or fraternal). The 701 families with only industrial insurance may be contrasted with the 104 families in which ordinary insurance was the only insurance in force, and 63 families in which the only policies were group or fraternal. There were 370 families holding the combination of industrial and ordinary; 198 families holding industrial and group or fraternal, and 194 families holding a combination of all three classes.

**Industrial insurance—Companies.** The relative importance of the companies underwriting the life insurance in force among the families covered in the survey may be judged from the figures from table 8 summarized below. According to the number of policies in force it is evident that the responsibility for the industrial insurance in this group rests on a very few companies.<sup>11</sup> All but 3 of the 8,214 industrial policies in force had been sold by four companies.

<i>Company</i>	<i>Number of industrial policies</i>	<i>Percent of total</i>
Metropolitan.....	3, 476	42. 32
John Hancock.....	3, 207	39. 04
Prudential.....	1, 049	12. 77
Boston Mutual.....	479	5. 83
Others.....	3	. 04
Total.....	8, 214	100. 00

The Metropolitan dominates the picture with the largest number of policies. The position of the Prudential in relation to the John Hancock is out of line with its national or State position. In the country as a whole, John Hancock has only 22 percent as many industrial policies in force as the Prudential. Even in Massachusetts John Hancock has only 24 percent as many industrial policies as the Prudential. Nevertheless, in the 35 blocks surveyed in Greater Boston there were 3,207 John Hancock industrial policies in force and only 1,049 industrial policies of the Prudential.

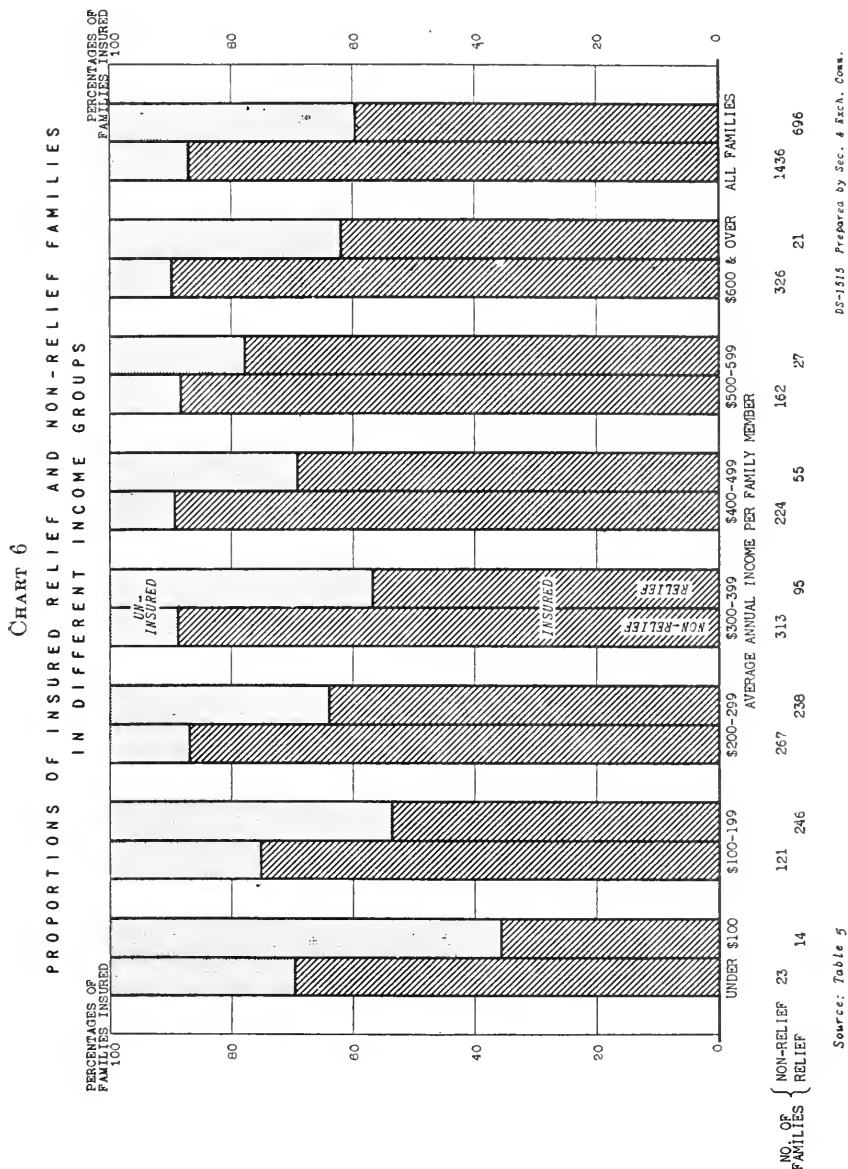
**Ordinary insurance—Companies.** In Massachusetts the ordinary life insurance business is carried on by 12 companies domiciled therein, 34 companies licensed to conduct business in the State but domiciled in other States, and 26 mutual savings banks authorized to write life insurance. In the families surveyed there were found to be 1,265 ordinary life-insurance policies in force. Of these, 991 had been issued by the same four companies which dominated the sale of industrial insurance. In addition, 129 policies had been issued by Massachusetts savings banks and 145 by all other life-insurance companies.<sup>12</sup> (See table 8, p. 115.)

<i>Company</i>	<i>Number of ordinary policies</i>	<i>Percent of total</i>
Metropolitan.....	555	43. 88
John Hancock.....	270	21. 34
Savings Banks.....	129	10. 20
Prudential.....	128	10. 12
Boston Mutual.....	38	3. 00
Others.....	145	11. 46
Total.....	1, 265	100. 00

<sup>11</sup> The case of families covered by two or more companies is discussed in Chapter V. See p. 51.

<sup>12</sup> A list of the companies represented in the policies examined appears in Appendix 9, p. 104.

**Economic and insurance status of families.** There is little question that life insurance is regarded as a necessity by the great majority of families covered in the survey. As shown in table 5 and on chart 6, a large percentage of the families in the lowest income



classes, including those on relief, carry life-insurance policies. But, as might be expected, smaller percentages of the families with the extremely low incomes were insured. Among the nonrelief families with "per family meml" incomes of less than \$200 annually, 70 to 75 percent were insured.

At the other extreme of the income scale were the families with "per family member" incomes of \$600 and over. Many of the families included in this income group were single-person families. There were, of course, very few relief families with the higher incomes. The highest "per family member" incomes in these relief families were found where a great deal of sickness existed and the families had received an unusual amount of relief. Of the 21 relief families shown in the chart as having "per family member" incomes of \$600 and over, 11 were single-person families.

If the single-person families are omitted from the determinations, in both relief and nonrelief families the tendency is for a greater proportion of families to be insured as the income increases, as indicated in the table below. The chief difference between the nonrelief and relief groups lies in the fact that the proportion of insured families in the relief group is consistently lower than it is in the nonrelief group.

*Proportion of families insured and economic status for families of 2 or more members*

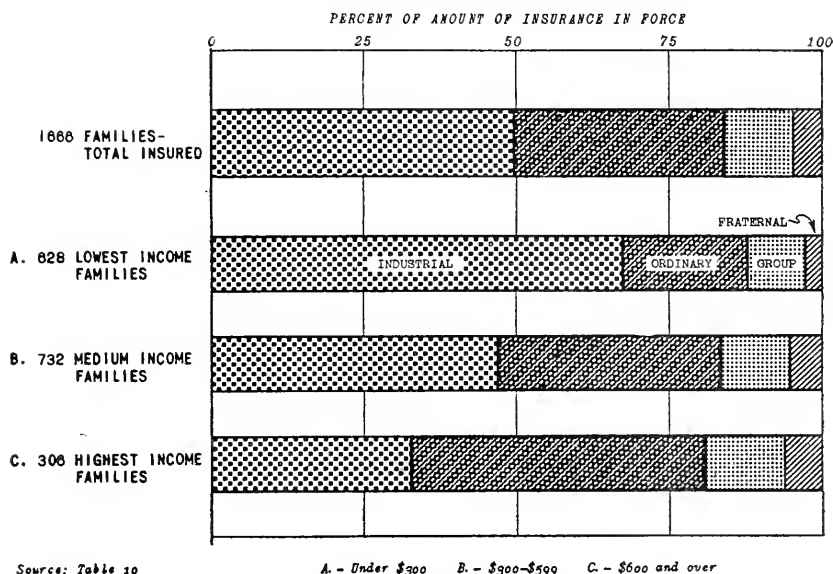
Economic status, average annual income per family member	Nonrelief families			Relief families			Total families		
	Num-ber	In-sured	Per-cent in-sured	Num-ber	In-sured	Per-cent in-sured	Num-ber	In-sured	Per-cent in-sured
\$600 and over.....	249	275	93.5	10	9	90.0	304	284	93.4
\$500 to \$599.....	159	142	89.3	25	21	84.0	184	162	88.0
\$400 to \$499.....	216	195	90.3	41	30	73.2	257	225	87.5
\$300 to \$399.....	307	274	89.3	75	46	61.3	382	320	83.8
\$200 to \$299.....	266	231	86.8	222	146	65.8	488	377	77.3
\$100 to \$199.....	120	91	75.8	246	132	53.7	366	223	60.9
Under \$100.....	17	12	70.6	14	5	35.7	31	17	54.8
Total.....	1,379	1,220	88.5	633	389	61.5	2,012	1,609	80.0

**Economic status of families and classes of insurance held.** Insured families were classified according to their economic status. There were 628 families in which the average annual per family member income was under \$300; 732 families in which it ranged from \$300 to \$600; and 306 families in which the average annual per family member income exceeded \$600. The total amounts and percentages of each class of insurance were determined for each group separately. The results are shown in chart 7 on the opposite page, and in the accompanying table.

It is apparent from the data that there is a definite relationship between economic status and the class of insurance held which may be expressed thus: the *greater* the average annual per family member income, the *greater* will be the relative importance of ordinary, group and fraternal insurance; and the *greater* the average annual per family member income, the *smaller* will be the importance of industrial insurance. In other words it is the families in the lowest economic levels that rely to the greatest extent upon industrial insurance.



CHART 7

RELATIVE IMPORTANCE OF DIFFERENT CLASSES OF INSURANCE  
IN FAMILIES WITH DIFFERENT INCOMES PER MEMBER

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*Amounts and classes of insurance in force in families classified by economic status*

Average annual income per family member	Number of families	Classes of insurance				
		Amounts				
		Industrial	Ordinary	Group	Fraternal	Total
Under \$300.....	628	\$833,088	\$256,533	\$118,283	\$31,823	\$1,239,727
\$300 to \$599.....	732	885,342	637,599	214,930	101,750	1,899,621
\$600 and over.....	306	301,728	449,892	121,384	57,033	930,037
Total.....	1,666	2,020,158	1,404,024	454,597	190,606	4,069,385
		Percentages based on amounts				
		Industrial	Ordinary	Group	Fraternal	Total
		67.20	20.69	9.54	2.57	100.0
		46.61	36.72	11.31	5.36	100.0
		32.44	48.37	13.05	6.14	100.0
Total.....		49.64	34.50	11.17	4.69	100.0

Source: Table 10, p. 118.

This condition can be partially explained by the nature of the different classes of insurance. Industrial insurance is issued in small units and is sold on a weekly premium plan for small unit payments. On the other hand ordinary and fraternal insurance are available only in larger amounts and do not offer the convenience of small weekly payments. Group insurance is usually available only to individuals who are employed by certain large business enterprises. Individuals employed by such companies are more likely to be in the skilled or semiskilled occupations and to belong to the higher rather than the lower income group of the families included in this survey.

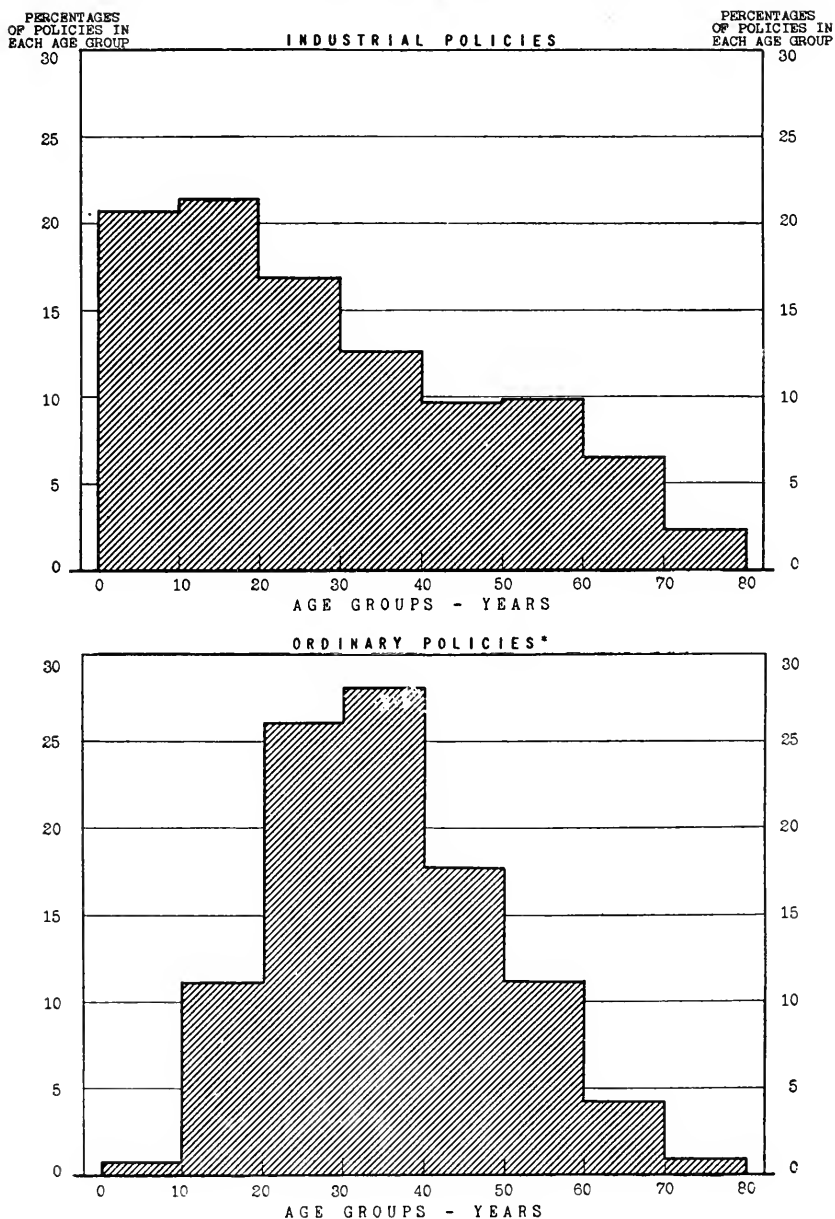
**Ages of policyholders and classes of insurance held.** The various classes of insurance were found to be quite differently distributed according to the ages of their respective policyholders. In both group and fraternal insurance there are inherent factors which would tend to limit the insurance to adults. Fraternal insurance, as has been stated, occurs largely as an incident to membership in a social organization. Group insurance is taken out by an employer on his workers and consequently would be concentrated in the working ages. As far as to principal industrial companies are concerned, the other two classes of life insurance—ordinary and industrial—are generally available to the same age groups hence the differences found in the ages of ordinary and industrial policyholders must be explained on other grounds.

Industrial and ordinary life insurance differ somewhat with respect to the motives which actuate individuals in applying for life insurance. Ordinary insurance, purchased by individuals in the higher income groups, is usually placed on the breadwinners to provide insurance against the loss of the family's main source of income. Industrial insurance, on the other hand, is purchased by families in the lower income groups and is not concentrated on breadwinners. There is little question that it is taken out for the primary purpose of providing for the expense of the last sickness and the burial as it is typically carried on practically all members of the family. These differences in motive, induced largely by a difference in the economic status in the families, help to explain the difference in the distribution of ages of the policyholders in these two classes of insurance.

**Present ages.** The difference in the *present* ages of industrial and ordinary policyholders is presented in chart 8 and the following table.<sup>13</sup> There is a marked concentration in the ages between 20 and 40 years among the ordinary policyholders, whereas among the industrial policyholders the chief concentration is in the ages below 20 years. While less than 1 percent of the ordinary policies in force were on children under 10 years old, over 20 percent of the industrial policies were on children under 10, and one-quarter of all the industrial policies were on children under 12 years. A further contrast is indicated by the fact that whereas only a quarter of the ordinary policies were on persons under

<sup>13</sup> In order to simplify the comparison between ordinary and industrial insurance, two kinds of policies were eliminated from the ordinary policies. One was the "ordinary" policies for less than \$1,000 on which premiums were paid monthly. This is a hybrid class corresponding in pattern of distribution more to the industrial than to the ordinary policy. The other kind of policy eliminated in this comparison was the savings-bank life-insurance policy. This kind of insurance was established as a less expensive substitute for industrial insurance. It is sold in small-size units similar to industrial insurance but the premiums are not payable more frequently than once a month. The ordinary policies used in this analysis may, therefore, be considered as more typical of ordinary insurance than they would have been otherwise.

CHART 8

INDUSTRIAL AND ORDINARY POLICIES CLASSIFIED  
ACCORDING TO PRESENT AGE OF POLICYHOLDER

\* Based on 1020 Ordinary Policies not including Savings Bank Life Insurance or "Monthly" Ordinary Insurance Policies for less than \$1000.

Source: Table 12

DS-1484 Prepared by Sec. & Exch. Comm.

25, a full half of the industrial policies were among persons of such ages.<sup>14</sup>

*Industrial and ordinary policies classified according to age of policyholder*

Age	Present Age				Age at Issue			
	Number		Percent		Number		Percent	
	Industrial	Ordinary <sup>1</sup>	Industrial	Ordinary	Industrial	Ordinary <sup>1</sup>	Industrial	Ordinary
70 and over.....	191	9	2.3	0.9	-----	-----	-----	-----
60 to 69.....	536	42	6.5	4.1	139	1	1.7	0.1
50 to 59.....	317	114	9.9	11.2	492	30	6.0	2.9
40 to 49.....	795	180	9.7	17.7	908	132	11.1	13.0
30 to 39.....	1,031	287	12.6	28.1	981	245	11.9	24.0
20 to 29.....	1,388	267	16.9	26.1	1,355	400	16.5	39.2
10 to 19.....	1,757	113	21.4	11.1	1,580	201	19.2	19.7
0 to 9.....	1,699	8	20.7	.8	2,759	11	33.6	1.1
Total.....	8,214	1,020	100.0	100.0	8,214	1,020	100.0	100.0

<sup>1</sup> Not including savings-bank life insurance or "monthly ordinary" policies for less than \$1,000. Source: Tables 12, 12-A, 13, and 13-A, pp. 122-127.

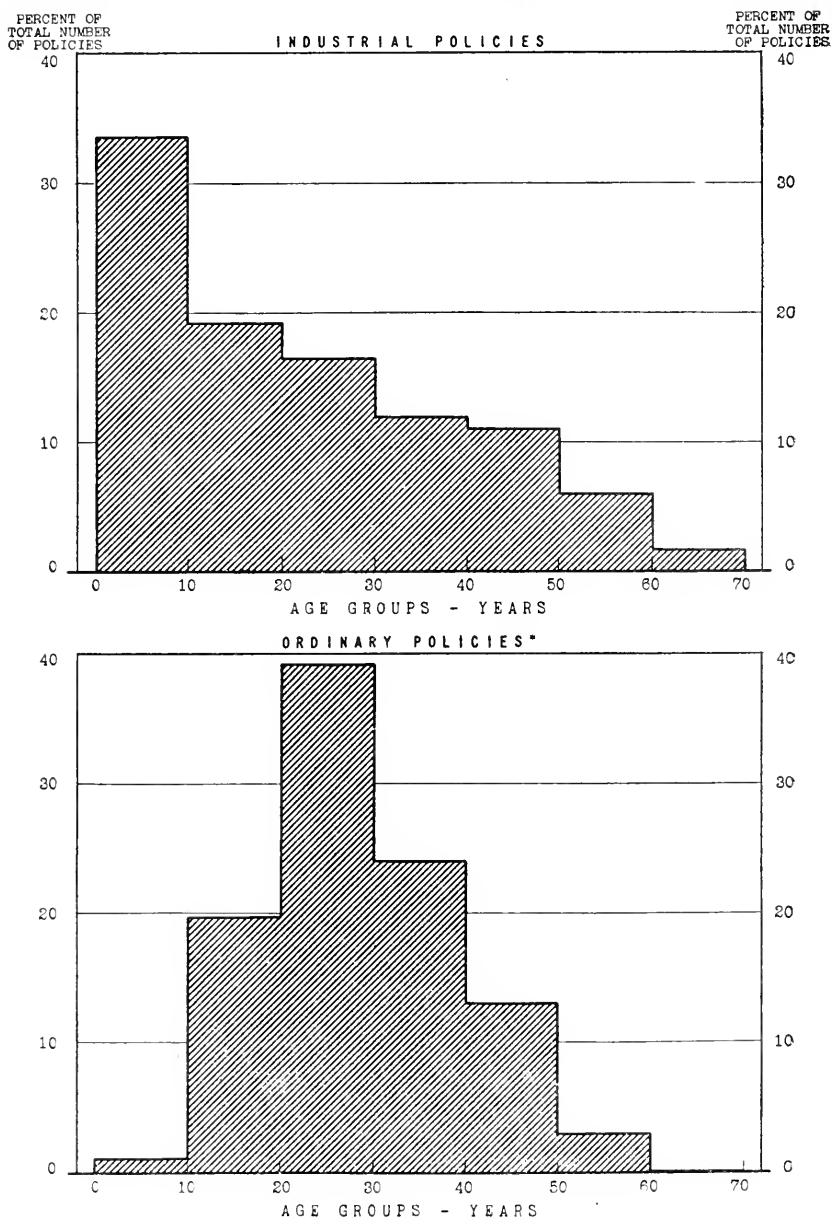
**Age at issue.** The difference between these two classes of insurance is even more striking in an analysis of the ages at which the policies had been issued.<sup>15</sup> Sixty-three percent of the ordinary policies as compared with a little over 28 percent of the industrial policies had been taken out by persons between 20 and 40. Only one-fifth of the ordinary policies had been issued to persons less than 20 years of age, whereas over half of the industrial insurance policies had been issued to this age group. While it is interesting to note that the median age at issue of ordinary policies was 27 and of industrial policies was 18, the most noticeable difference between the two classes was among children and infants. Very few ordinary policies—only 1 percent—had been issued on children under 10 years of age whereas one-third of all industrial policies had been issued to such children. This was by far the largest proportion issued on any age group shown. The difference between the ages at which industrial and ordinary insurance are issued is shown by the chart 9 appearing on p. 25.

**Sex and age of individuals holding industrial and ordinary policies.** Further evidence of the basic differences between industrial and ordinary life insurance appears when the two classes of policies are classified separately according to the sex of the policyholder. As shown below for 8,214 industrial policies, 54 percent had been issued on the lives of *females* and 46 percent on the lives of *males*. On the

<sup>14</sup> See tables 11, 11-A, 12-A, and 13-A for distributions of group, fraternal, and savings-bank insurance according to age of policyholders.

<sup>15</sup> These ages are the ages as reported on the policies, and in a number of industrial policies were greater than the actual ages because the ages had been "rated up" to compensate the insurance company for extra hazards arising from the health or occupation of the policyholder. The figures are, therefore, conservative. It should also be noted that industrial policies are always issued as of the age the policyholder will be on his next birthday whereas ordinary policies are issued as of the age of the policyholder on his nearest birthday.

CHART 9

INDUSTRIAL AND ORDINARY POLICIES CLASSIFIED  
ACCORDING TO AGE OF POLICYHOLDER AT ISSUE OF POLICY

\* Based on 1020 Ordinary Policies, excluding Savings Bank Life Insurance and "Monthly Ordinary" Policies for less than \$1000.

Source: Table 13

DS-1486 Prepared by Sec. & Adm. Com.

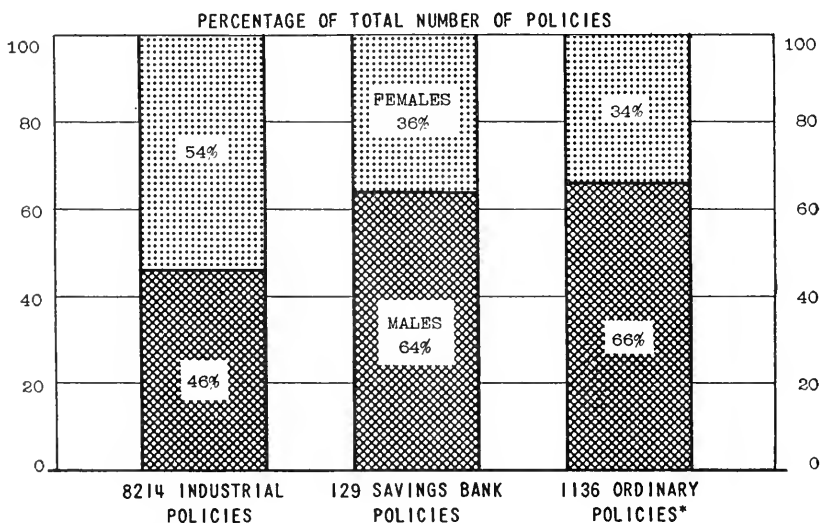
other hand, of 1,265 ordinary policies, 66 percent had been issued on the lives of *males* and only 34 percent on the lives of *females*.

	<i>Industrial</i>	<i>Ordinary</i> <sup>15</sup>
Total number of policies.....	8, 214	1, 265
Number on males.....	3, 813	835
Number on females.....	4, 401	430
Percentage on males.....	46	66
Percentage on females.....	54	34

When age as well as sex is considered, the divergence is even more noteworthy.<sup>17</sup> As age increases the males hold a consistently larger proportion of ordinary life insurance than the females.<sup>18</sup> Industrial insurance shows the opposite tendency. The proportion of industrial insurance held by males becomes consistently smaller as age increases. In the early age groups males hold a larger number of industrial policies than do females. It is only beyond the age of 25 that a larger number is carried by females.

CHART 10

PROPORTION OF POLICIES HELD IN INDUSTRIAL & ORDINARY INSURANCE  
According to Sex of Policyholder



Source: Table 11

\*Excluding 129 Savings Bank Life Insurance Policies

DS-1475 Prepared by  
Sec. & Exch. Comm.

**Sex and age of policyholders in the 701 families with industrial insurance only.** In order to observe the sex and age pattern of distribution of industrial insurance a special tabulation was made of the individual members of the 701 families in which only industrial insurance was found. In this analysis all family members were classified as to age, sex, and insurance status. The results which appear in table 26 provide the basis for chart 11 on the opposite page.

<sup>16</sup> The 129 savings bank life insurance policies included were distributed as follows: 83 on males and 46 on females, i. e., 64 percent on males and 36 percent on females.

<sup>17</sup> See Table 11 in appendix 10, p. 119.

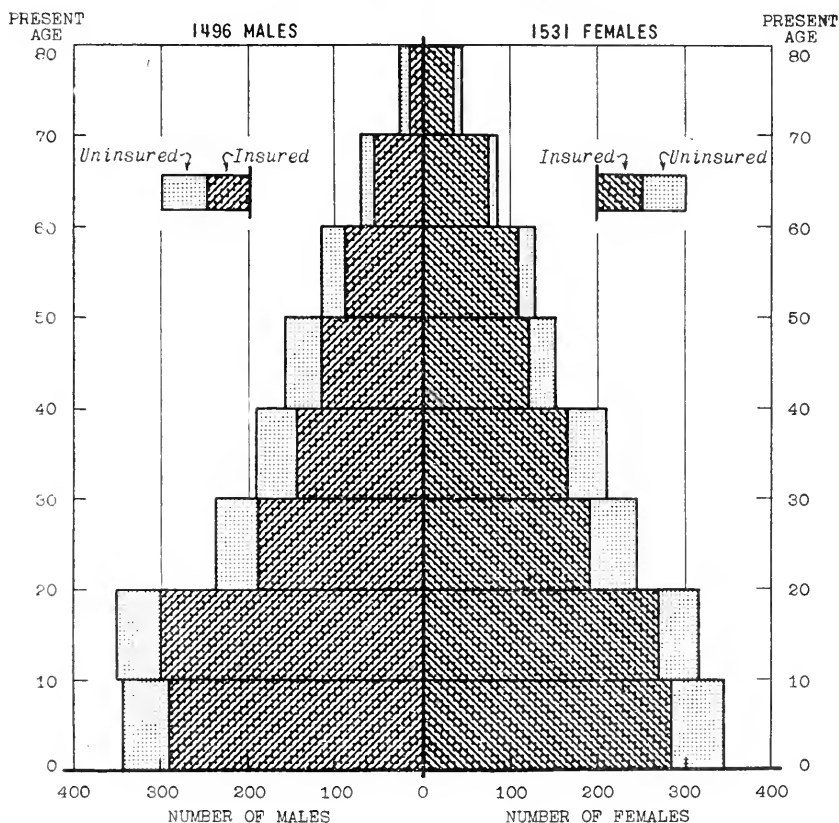
<sup>18</sup> The same is true in savings-bank life insurance.

There were 1,496 males, of whom 1,204, or 80 percent, were insured for an average amount of \$403. There were 1,531 females, of whom 1,259, or 82 percent, were insured for an average amount of \$363.

**Plans of insurance policies.** Life insurance policies differ with respect to the conditions under which the amount of insurance becomes payable and with respect to the length of time premiums must be paid. The four general types of plans <sup>19</sup> recognized in this analysis are as

CHART 11

SEX, PRESENT AGE AND INSURANCE STATUS OF  
3027 PERSONS LIVING IN 701 INSURED FAMILIES  
WITH INDUSTRIAL INSURANCE ONLY



Source: Table 26

DS-1503 Prepared by Sec. & Exch. Comm.

follows: (1) Whole life plan, (2) limited payment life plan, (3) endowment plan, and the (4) term plan. Beginning with the last of these the basic differences in the four types of contracts will be examined.

**Term plan.** Under this plan the amount of insurance is payable *only* in case death occurs *within* the period of term (usually 5 to 10 years) named in the policy. Premiums are payable during the same term. Industrial insurance is not issued on the term plan by any of

<sup>19</sup> See plans of insurance in appendix 5, p. 95.

the four companies doing business in Massachusetts. However, by reason of the nonforfeiture rights in both ordinary and industrial policies, insurance that has been in force long enough to acquire such rights may be converted to the term plan. Under these conditions it is known as *extended term insurance*.

**Endowment plan.** Under the endowment plan, as under the term plan, the amount of insurance is payable only if death occurs *within* the period named in the policy (usually 15, 20, or 25 years). Premiums are payable during the same period. However, unlike the term plan, the endowment plan contains an agreement on the part of the insuring company to pay to the insured at the end of the period a sum of money equal to the amount of insurance named in the policy. Thus this plan combines the objective accomplished by term insurance with another and quite different objective, namely, to acquire a stated sum of money by the end of the term of years stipulated in the policy. Endowment policies are issued not only for a stated number of years, but are also written to mature at the time the policyholder reaches a certain age. Thus endowments are frequently written to mature at age 65. When an endowment policy is carried to the end of the period stipulated the policy terminates by maturity and the amount stated is paid by the company to the insured.

**Limited payment life plan.** Policies that provide for insurance payable whenever death occurs, but on which premiums are payable for only a limited period, are known as limited payment life policies. For example, a 20-payment life policy is one under which the insurance is payable only at death and premiums stop at the end of 20 years. Such policies appeal to an individual who wishes protection for his entire life but who does not wish to be burdened by premium payments after the peak of his earning capacity has been passed. Inasmuch as the insurance company must collect from him in a relatively short period of time premiums enough to cover his whole life, the rates charged for limited payment life policies are relatively higher than those charged for whole life or term policies.

**Whole life plan.** Under the whole life plan a company contracts to pay the amount of insurance whenever the death of the insured occurs. The insured, on his part, contracts to maintain periodic premium payments *until* he dies.<sup>20</sup> The premiums on this plan are higher than those charged for term insurance but lower than those charged for either endowments or limited payment life policies.

**Plans of insurance—Amounts in each.** As shown on the accompanying chart 12 and table, the survey found less *term* insurance in force than that on any other plan. Term policies accounted for \$529,750 which was 13.02 percent of the total amount of insurance in force. Group insurance is written exclusively on the term plan and accounted for 85.22 percent of all the term insurance in force. Of the balance, 8.89 percent was industrial and 5.29 percent ordinary.

The amount of insurance written on the *endowment plan* accounted for \$799,171, or 19.64 percent of the total. This was divided between two classes of insurance—industrial and ordinary—as no group or fraternal endowment policies were found in the survey. It should be observed that the industrial endowment insurance in force amounted to over three times as much as the endowment insurance of the ordinary class.

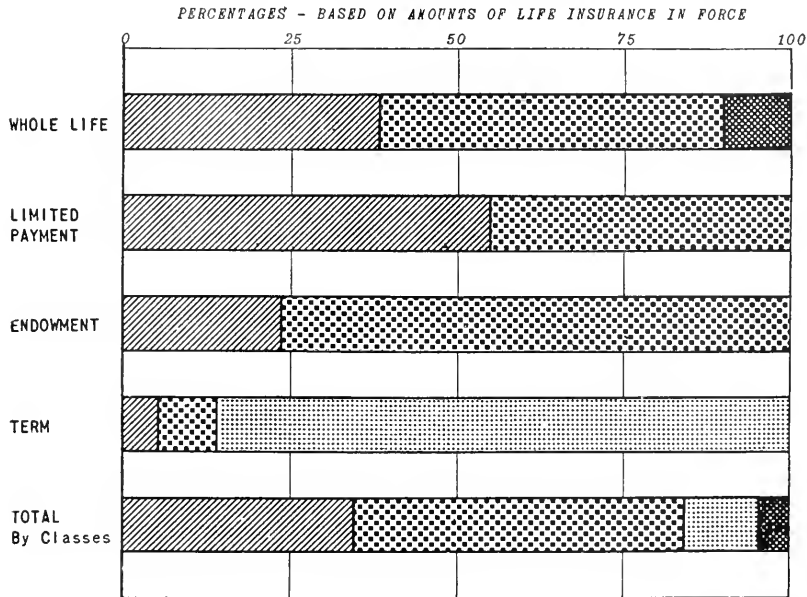
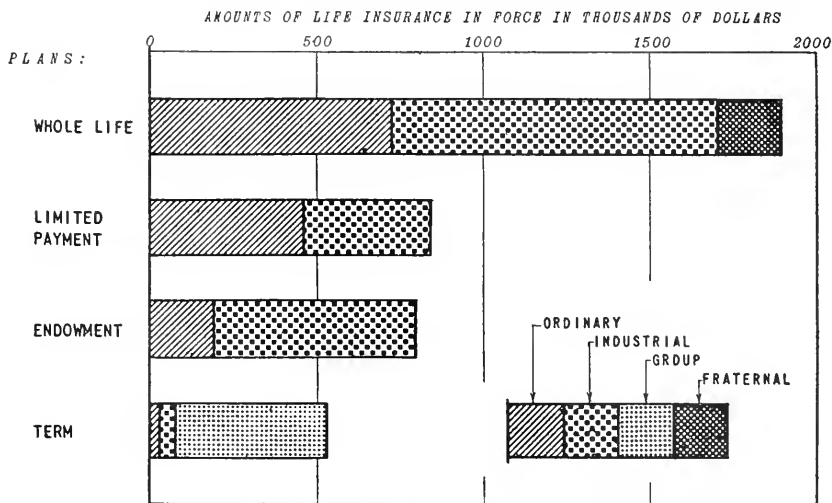
<sup>20</sup> For a more complete description of policies classified as on the whole life plan see p. 95.



Life insurance on the *limited payment life plan* amounted to \$842,098, which was 20.69 percent of the total. This plan of policy was also restricted to the ordinary and industrial class of insurance as no limited-payment life group or fraternal policies were found in the

CHART 12

## LIFE INSURANCE IN FORCE BY PLANS AND CLASSES



Source: Table 7

DS-1480 Prepared by Sec. &amp; Exch. Com.

survey. Almost 55 percent of the insurance on the limited-payment life plan was ordinary, the balance industrial.

The *whole life plan* of insurance is the plan which predominates. The amount of insurance in force on this plan was \$1,898,366. This

was 46.65 percent of the entire amount of insurance in force and more than twice as much as on the next largest (limited payment life) plan. This plan of insurance contract was found in three classes of insurance: industrial, ordinary, and fraternal. Of all insurance on the whole life plan, the industrial whole life policies accounted for over half (51.72 percent), ordinary for 38.24 percent, and fraternal for 10.04 percent.

*Insurance in force by plans and classes*

AMOUNTS

Plans	Classes				
	Ordinary	Industrial	Group	Fraternal	Total
Whole life.....	\$725,984	\$981,776	-----	\$190,606	\$1,898,366
Limited-payment life.....	461,468	380,630	-----	-----	842,098
Endowment.....	188,522	610,649	-----	-----	799,171
Term.....	28,050	47,103	\$454,597	-----	529,750
Total.....	1,404,024	2,020,158	454,597	190,606	4,069,385

PERCENTAGES

Whole life.....	51.71	48.60	-----	100	46.65
Limited-payment life.....	32.87	18.84	-----	-----	20.69
Endowment.....	13.42	30.23	-----	-----	19.64
Term.....	2.00	2.33	100	-----	13.02
Total.....	100.00	100.00	100	100	100.00

PERCENTAGES

Whole life.....	38.24	51.72	-----	10.04	100
Limited-payment life.....	54.80	45.20	-----	-----	100
Endowment.....	23.59	76.41	-----	-----	100
Term.....	5.29	8.89	85.82	-----	100
Total.....	34.50	49.64	11.17	4.69	100

Source: Table 7, p. 113.

Because of the predominance of two classes of life insurance—industrial and ordinary—in the families surveyed, special interest attaches to the plans on which policies in these classes are issued. The chart which appears on p. 29 (chart 12) permits a comparison to be made of the relative importance of the different plans in these classes. It will be observed that the chief point of difference lies in the two plans represented by the middle two columns in the diagrams. In industrial insurance endowment policies are considerably more important than the limited-payment life policies, whereas just the opposite is the case in ordinary insurance. Based on the respective amounts of insurance in force, endowments account for 30.23 percent of the total industrial and for only 13.42 percent of the total ordinary insurance.

**Industrial insurance—Plan and age of policyholder.** In order to determine the extent to which age might be related to the plan of industrial insurance a special tabulation was made of the 8,214 industrial policies. These policies were cross-classified according to plan and the age at issue of respective policyholders. The results are presented in chart 13 on next page (see table 13, p. 125), which shows that the industrial insurance written on the lives of young persons was predominantly on the endowment plan. Of the policies originally written when the insured were infants less than 2 years old, 68.98 percent were endowments. Of the policies written on lives from 2 to 10 years, 59.13 percent were endowments. As the ages increase the percentage of endowments written decreases. In the 50- to 60-year group less than 5 percent of the policies were endowments.

On the other hand, there is a direct relation between age and the proportion of whole life policies. Of policies written on lives under 2 years, less than 22 percent were whole life policies. As the ages increase this percentage also increases until in the 60- to 70-year group whole life policies account for 93.53 percent of all policies.<sup>21</sup>

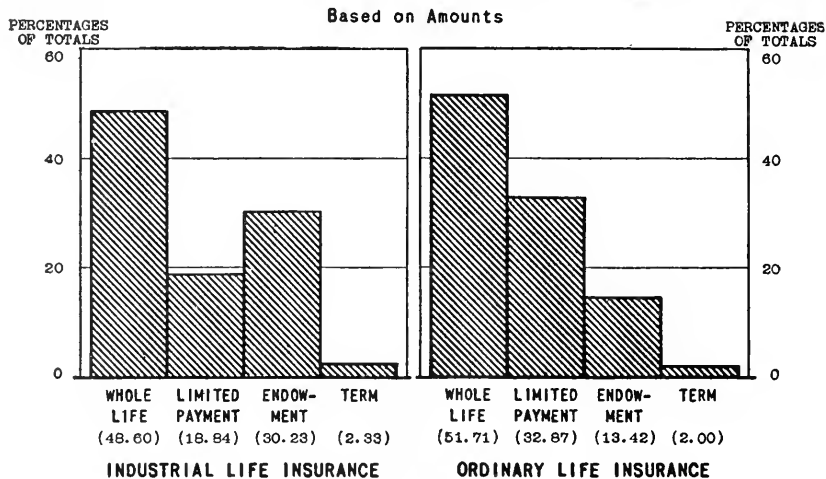
Limited-payment life policies constitute 16.85 percent of all industrial policies. In this plan, the number of policies issued to the youngest or oldest age groups is relatively small. Limited-payment policies increase in importance with age, reaching a maximum in the 20- to 30-year group where they account for 38.3 percent of the policies.

**Industrial endowments—Age at issue.** The analysis of industrial endowment policies by age at issue reveals the distribution portrayed above. From this it is evident that the great importance of endowments in industrial insurance is to a large extent accounted for by their being sold on the lives of very young persons. Almost one-fourth of them were issued to infants under 2 years of age and over half (55.8 percent) were issued to children under 10 years. See chart 14 on p. 33.

**Plans of insurance—Years in force.** From the very nature of the different plans upon which life-insurance policies are written it is to be expected that there would be a wide variation in the number of years the policies written on different plans would remain in force. Whole life policies and limited-payment life policies are presumably taken out with the intention that they will be maintained until the death of the policyholder. Endowment policies, on the other hand, terminate with their maturity. However, the premiums are highest on the endowment policies and much lower on the whole-life policies. In hard times, therefore, it would be reasonable to expect that endowments might be dropped to a larger extent than in the case of whole life policies. Also it is true that the loan and cash-surrender values are greater in endowments and limited-payment policies than in whole-life policies. The financial needs of policyholders in periods of unemployment might be expected to result in the surrender of a larger pro-

<sup>21</sup> In this connection it should be noted that insurance premiums on policies issued at older ages are higher by reason of the fact that as age increases the probable length of continued life becomes shorter. Therefore, as age increases the differences between the premiums charged for policies on different plans become less significant. At age 65 the probability is very great that a man will die before he has reached 85, and that the face amount of the policy will have to be paid. At age 65 the premiums for whole life, 20-payment life, and 20-year endowment policies—all relatively high—are nearly the same. Therefore, the reasons for purchasers in advanced ages to distinguish between these policies become less important.

CHART 13

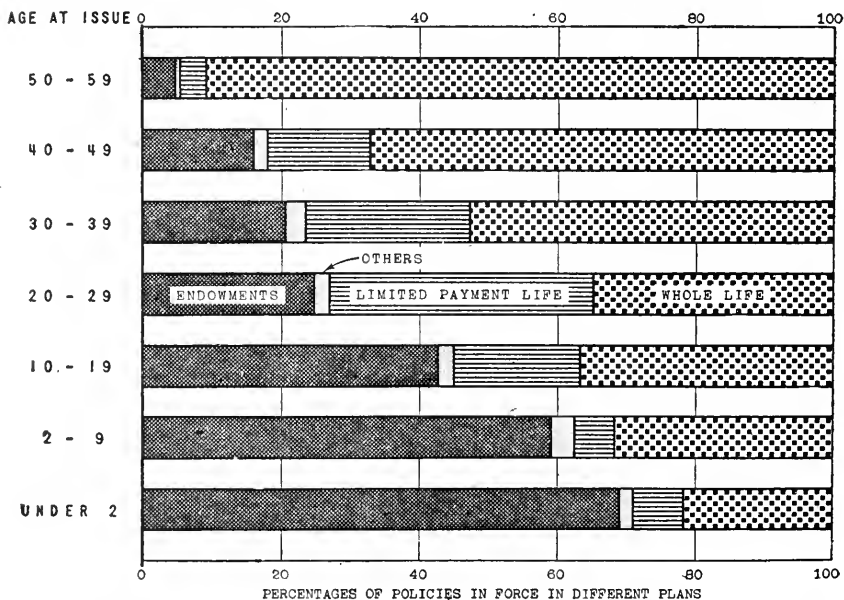
ORDINARY AND INDUSTRIAL INSURANCE  
IN FORCE UNDER DIFFERENT PLANS

DS-1481 Source: Table 7

Prepared by Sec. &amp; Exch. Com.

## INDUSTRIAL INSURANCE

## RELATIVE IMPORTANCE OF DIFFERENT POLICY PLANS ISSUED AT DIFFERENT AGES



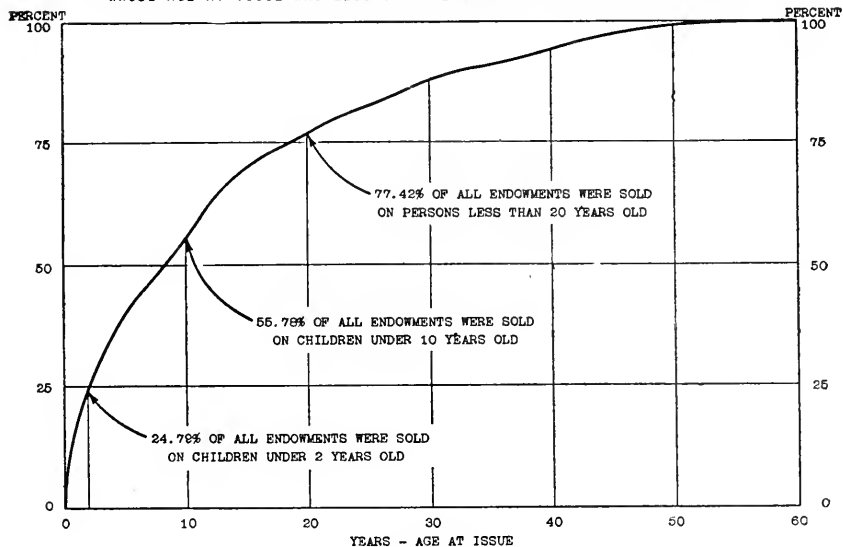
Source: Table 13

DS-1511 Prepared by Sec. &amp; Exch. Com.

CHART 14

## INDUSTRIAL ENDOWMENTS

CHART SHOWING PERCENTAGES OF INDUSTRIAL ENDOWMENT POLICIES SOLD TO INDIVIDUALS  
WHOSE AGE AT ISSUE WAS LESS THAN YEARS INDICATED ON SCALE AT BASE



DS-1504 Source: Table 19

Prepared by Sec. & Exch. Comm.

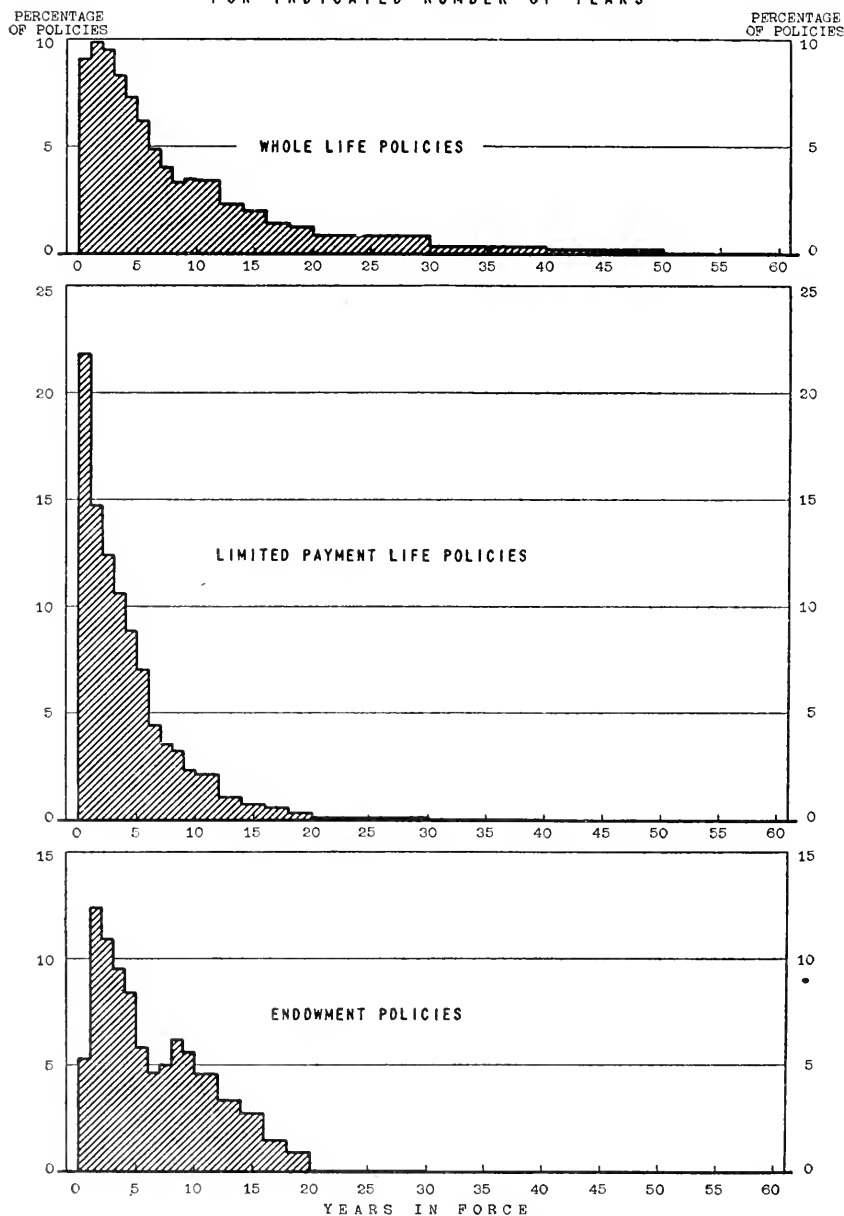
portion of endowment and limited-payment life policies than whole life policies.

**Industrial policies on different plans and the number of years in force.** The accompanying table and chart 15 present the results of a special analysis of 8,022 industrial policies according to plan of policy and number of years each had been in force. It will be noticed that most of these policies are very young policies. Those sold within the 12 months preceding the date of enumeration, 1938-39, composed 9.80 percent of the total. As 11.68 percent of the industrial policies had been in force for 1 year (but less than 2 years) we may say that 21.48 percent had been in force for less than 2 years. Cumulating upward it is possible to determine that proportion of the policies which had been in force for less than any specified period of time. Thus we find that 49.18 percent of all industrial policies had been in force for *less than 5 years*.<sup>22</sup>

<sup>22</sup> In this connection it may be indicated that generally industrial life-insurance policies do not acquire nonforfeiture values that may be taken in cash (upon surrender) until premiums have been paid for at least 5 years.

CHART 15

INDUSTRIAL POLICIES - YEARS IN FORCE  
 PERCENTAGES OF TOTAL NUMBER OF EACH PLAN IN FORCE  
 FOR INDICATED NUMBER OF YEARS



*Industrial policies classified according to plan of policy and number of years in force<sup>1</sup>*

[Numbers and percentages of policies]

Number of years in force	Year of issue	Number of policies			
		Whole life	Limited payment life	Endowment	Total
50-59.....	1879-89	16			16
40-49.....	1889-99	66		2	68
30-39.....	1899-1909	128	5	1	134
20-29.....	1909-19	275	16	12	303
18-19.....	1919-21	86	9	53	148
16-17.....	1921-23	97	15	91	203
14-15.....	1923-25	137	20	167	324
12-13.....	1925-27	159	30	210	399
10-11.....	1927-29	238	60	286	584
9.....	1929-30	122	32	176	330
8.....	1930-31	116	44	193	353
7.....	1931-32	141	48	157	346
6.....	1932-33	170	61	143	374
5.....	1933-34	218	97	180	495
4.....	1934-35	256	122	261	639
3.....	1935-36	292	147	297	736
2.....	1936-37	334	172	341	847
1.....	1937-38	346	204	387	937
Less than 1 year.....	1938-39	319	302	165	786
Total.....		3,516	1,384	3,122	8,022
Percentages					
50-59.....	1879-89	0.46			0.20
40-49.....	1889-99	1.88		0.06	.85
30-39.....	1899-1909	3.64	0.36	.03	1.67
20-29.....	1909-19	7.82	1.16	.38	3.78
18-19.....	1919-21	2.45	.65	1.70	1.84
16-17.....	1921-23	2.76	1.08	2.91	2.53
14-15.....	1923-25	3.89	1.45	5.35	4.04
12-13.....	1925-27	4.52	2.17	6.73	4.97
10-11.....	1927-29	6.77	4.33	9.16	7.28
9.....	1929-30	3.47	2.31	5.64	4.11
8.....	1930-31	3.30	3.18	6.18	4.41
7.....	1932-32	4.01	3.47	5.03	4.31
6.....	1932-33	4.84	4.41	4.58	4.66
5.....	1933-34	6.20	7.01	5.77	6.17
4.....	1934-35	7.28	8.81	8.36	7.97
3.....	1935-36	8.30	10.62	9.51	9.17
2.....	1936-37	9.50	12.43	10.92	10.56
1.....	1937-38	9.84	14.74	12.40	11.68
Less than 1 year.....	1938-39	9.07	21.82	5.29	9.80
Total.....		100.00	100.00	100.00	100.00

<sup>1</sup> Adjusted to equal full years.

It will be noted that the number and percentage of industrial endowment policies issued within a year of the date of enumeration were smaller than in the previous year. Just the opposite condition is shown for policies issued on the limited-payment life plan. The increase in limited-payment life policies was particularly noticeable

among the policies issued to children under 10 years. Only 11 of these policies had been issued to this age group during the previous year, whereas 98 of them had been issued during the year immediately preceding the date of enumeration. A large part of the increase in sale of limited-payment life policies and the decrease in sale of endowment policies may be attributed to the decision made by the Metropolitan, Prudential, and John Hancock Insurance Cos. not to sell any industrial endowments during 1939.<sup>23</sup> This decision was made after the passage of a New York law forbidding the sale of industrial endowments within that State after December 31, 1938. The 3 major companies did not issue any policies of this plan of insurance anywhere in the country in 1939. The 165 industrial endowments found in the survey and issued within a year prior to the date of enumeration may be explained partly by the fact that this period included 5 months of 1938 before the New York law went into effect and partly by the fact that the Boston Mutual Life Insurance Co. was not affected by the New York law and continued to sell industrial endowments.

**Breadwinners and their relation to the family's insurance.** A "breadwinner" is defined as a family member whose annual earnings amounted to at least 50 percent as much as the average per family member income in his family. Thus in a family of five, in which the total income is \$2,000, a son or a daughter who earns as much as \$200 is classified as a breadwinner. The chief breadwinner is defined as that individual in the family who earns the largest part of the total family income. Thus in a family where both father and son are gainfully employed, if the son's earnings exceeded that of the father, the son would be classified as the chief breadwinner.

It was believed that breadwinners, and particularly chief breadwinners, were of special interest in this survey because upon them rests such a heavy responsibility for the maintenance of the family. The death of the chief breadwinner threatens greater havoc to the family than the death of any other member. Families which place most of their insurance on members other than the breadwinner place themselves in a vulnerable position. The death of the breadwinner not only imposes heavy expenses but also removes the source of family income from which all premium payments have to be met. Lapses of all policies are likely to follow the death of a breadwinner unless he is insured for a sufficient amount to cover all expenses including premium payments for insurance on the others until the family can become readjusted. Wisdom in planning an insurance program should dictate that the bulk of a family's life insurance should be on the individual or individuals who contribute the most toward the family's support and whose death would cause the greatest financial loss.

The analysis of the industrial policies by number of years in force, summarized below, shows that 49.18 percent had been in force for less than 5 years; 23.66 percent for periods between 5 and 10 years; and 27.16 percent for 10 years or longer. It should be noted that 192 extended-term industrial policies were not included in this analysis.

<sup>23</sup> Pt. 12, R. 5781.



*Summary of 8,022 industrial policies—Plans and years in force*

Years in force	Number of policies			
	Whole life	Limited payment	Endowment	Total
Under 5.....	1,547	947	1,451	3,945
5 to 10.....	767	282	849	1,898
Over 10.....	1,202	155	822	2,179
Total.....	3,516	1,384	3,122	8,022
	Percentages			
Under 5.....	44.00	68.42	46.48	49.18
5 to 10.....	21.81	20.38	27.19	23.66
Over 10.....	34.19	11.20	26.33	27.16
Total.....	100.00	100.00	100.00	100.00

Families vary with respect to the number of breadwinners. Among the 1,251 nonrelief insured families there were 3 families with none and 12 with 5 or more breadwinners each. The typical family, however, is a 1-breadwinner family. Families with only 1 breadwinner account for 69 percent of the nonrelief families and 64 percent of the relief families. As might be expected, there were many more non-breadwinner families on relief than in the nonrelief group. As many as 66 of the nonrelief insured families had no breadwinners. (See tables 14 and 15, pp. 128-129.)

An analysis of family income in relief and nonrelief families according to the number of breadwinners in the family shows that the nonrelief families have incomes that reach as high as \$6,000, while in relief families the range is only to \$4,000. There are definite positive relationships between number of breadwinners per family and both total family income and the average income per family member.

**Insurance status of breadwinners and others.**<sup>24</sup> In order to ascertain the facts with respect to the proportion of breadwinners and others that were insured and uninsured, the members of the 1,666 insured families were classified as shown in table 16. This table shows that 11.58 percent of the chief breadwinners and 20.21 percent of the "other breadwinners" were not insured. On the other hand there were 17.93 percent of the dependents that were not insured. One significant difference between the relief and nonrelief families appears in the percentages of chief breadwinners without insurance. In the nonrelief group only 1 out of 11 chief breadwinners was uninsured, while in the relief group 2 out of 10 chief breadwinners were not insured. Breadwinners other than the chief breadwinners were insured to approximately the same proportion in both groups but a smaller percentage of dependents were insured in the relief group than in the nonrelief group.

**Total amount of all insurance held by each individual surveyed.** There were 8,794 men, women, and children reported as members of the 2,132 families enumerated in the survey. Life insurance of all kinds to the amount of \$3,954,319 was found in force on the lives of 5,791 individual family members. There were 3,003 uninsured family

<sup>24</sup> Other aspects of insurance on breadwinners are presented on pp. 39 and 48.

members. Thus 66 percent of all men, women, and children in these families carried some insurance and the over-all average amount of insurance was \$683 per insured person.

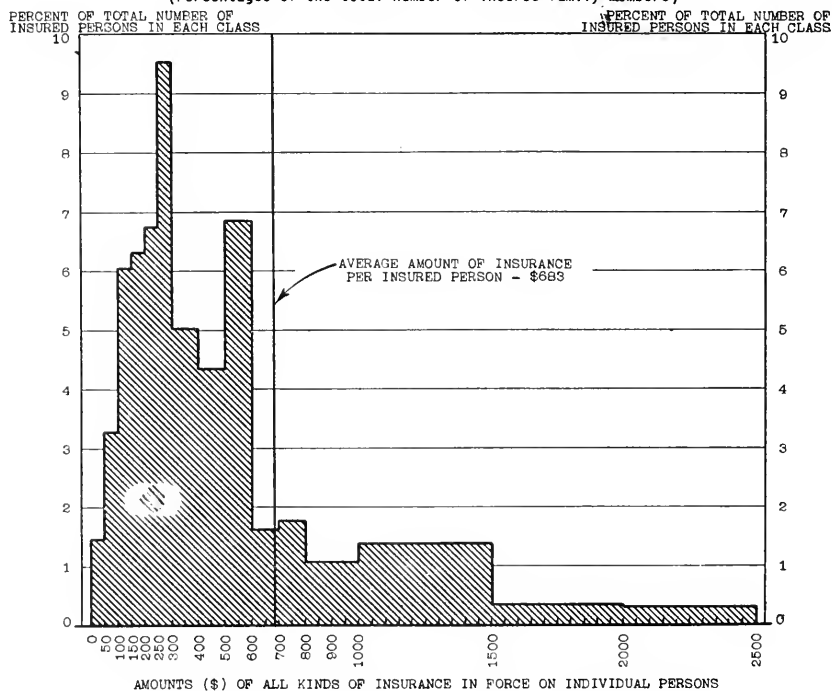
Although this average is highly interesting it must be pointed out that it has the disadvantage of all summary measures in that it fails to reveal the wide variations that exist in the amounts of insurance carried by 5,791 insured individuals. In order to examine the patterns that exist in the distribution of amounts of insurance carried on various classes of individuals, separate tabulations were made to

CHART 16

## ALL INSURANCE HELD BY INDIVIDUALS

5791 INSURED MEMBERS OF ALL INSURED FAMILIES CLASSIFIED  
ACCORDING TO AMOUNTS OF ALL INSURANCE IN FORCE

(Percentages of the total number of insured family members)



Source: Table 17-A

DS-1519 Prepared by Sec. & Exch. Com.

show the total amounts of insurance in force on males and females, on breadwinners and others, according to the economic status of the family to which each belongs. The details of this analysis are contained in tables 17 and 17-A. There is room here only for a chart which shows a frequency distribution of the 5,791 insured individuals classified according to the amounts of insurance on their respective lives.

Chart 16 should be studied in connection with the table upon which it is based. Both show concentrations of individual amounts of insurance at points which are associated with the custom of insurance companies in issuing policies in units of \$250, \$500, and \$1,000 each.

The chart is not large enough to show the few individuals with the largest amounts of insurance. The table shows that there was one

person who carried as much as \$15,619 of insurance, and eight others who carried amounts of insurance in excess of \$8,000 each; nevertheless it is clear that the great bulk of the individuals were insured for relatively small amounts. In fact, the amounts of insurance carried on half of these persons were less than \$476; and the amounts carried on one-fourth of them were less than \$256. On the other hand, it may be said that half of them were insured for amounts greater than \$476 each, and that one-fourth of them (the most heavily insured) carried amounts in excess of \$915 each.

**Total amount of industrial insurance held by individual members of the 701 families in which industrial insurance only was found.** As indicated above, this analysis included the total of all kinds of life insurance in force. It was thought desirable to examine separately the industrial insurance in force. Therefore the same type of analysis was made for the insurance held by the 2,349 insured members of the 701 families in which only industrial policies were found. There were 2,913 members of the 701 families in which only industrial insurance was found. Of that number there were 2,349, or 81 percent, on whose lives 3,745 policies were carried. The total amount of insurance represented by these policies was \$899,368. Thus the average insured person in these 701 families held 1.6 industrial policies and had \$383 industrial insurance in force on his life.

Reference to tables 18 and 18-A will enable the reader to see the range of variation in the amounts of industrial insurance held by these family members when they were separately classified according to sex and economic status. The accompanying chart 17 on p. 40 is based on table 18-A and shows the amounts of insurance on all of the 2,349 insured family members. Amounts between \$250 and \$300, and between \$500 and \$600 occur with sufficient frequency to stand out on the chart. This is accounted for by reason of the practice of life-insurance companies in issuing certain industrial policies in units of \$250 and \$500. There were 50 percent of these individuals who carried less than \$324 and 50 percent who carried more than that amount.

It is obvious that the members in this group are much more homogeneous with respect to the amounts of insurance carried on their lives than was the case with *all* insured individuals. Only 80 individuals carried industrial insurance for amounts of \$1,000 or more.

**Industrial insurance on breadwinners and others.** The 701 families with only industrial insurance had 655 insured breadwinners and 1,694 other insured members. These insured individuals are classified separately in table 18-A according to the amounts of insurance in force on each. The results show the extent to which the status of breadwinner affects the amount carried by individuals. Breadwinners are found distributed throughout the range from under \$50 to over \$2,000 but typically breadwinners carry more insurance than others. This is evident from several points of view. For example, in each of the insurance classes up to \$400, breadwinners are proportionally less important than nonbreadwinners, while in each of the insurance classes beyond \$400 the breadwinners are proportionally more important than the others. Also it may be observed that whereas the median<sup>25</sup> breadwinner carried \$494 insurance, the median for the nonbreadwinners was only \$282. Almost half (49.16 percent) of the

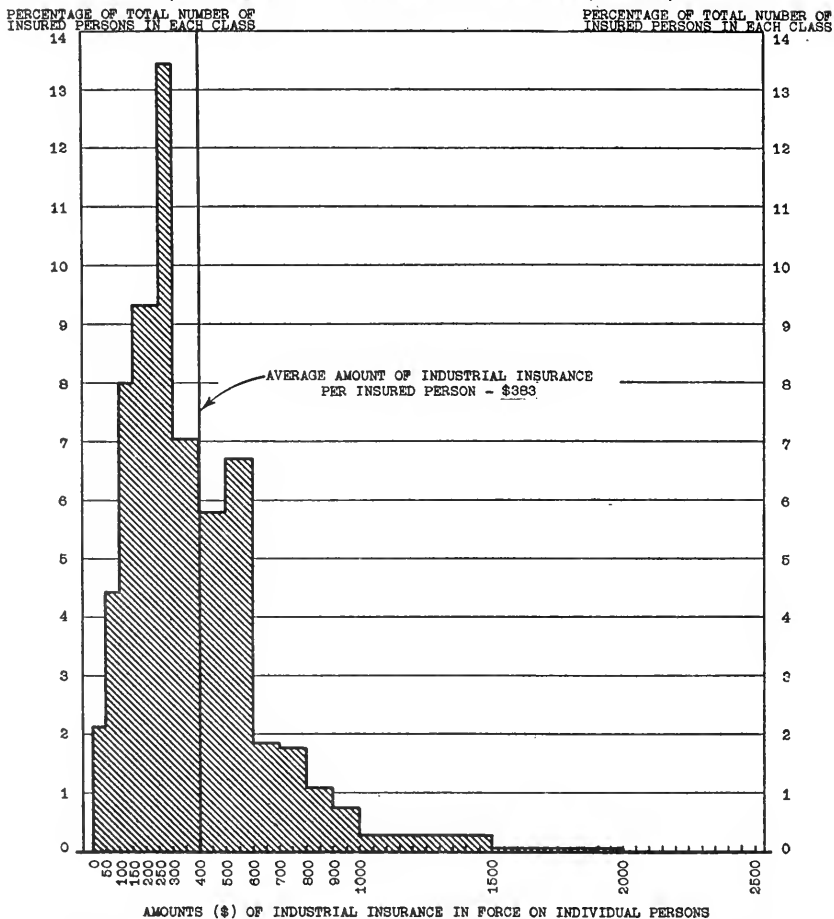
<sup>25</sup> The median is a type of average. It is determined in such fashion that half of the items are less than, and the other half of the items greater than, the median. When the items are arranged in order of size the median is that value which divides the items in the distribution into two equal parts.

CHART 17

## INDUSTRIAL INSURANCE HELD BY INDIVIDUALS

2349 INSURED MEMBERS OF 701 FAMILIES WITH ONLY INDUSTRIAL INSURANCE  
CLASSIFIED ACCORDING TO AMOUNTS OF INSURANCE IN FORCE

(Percentages of the total number of insured family members)



Source: Table 18-A

DS-1520 Prepared by Sec. & Exch. Com.

breadwinners were insured for amounts greater than \$500, while only 19.43 percent of the others carried that much insurance.

**Industrial insurance on males and females.** Among the 2,349 insured individuals in the 701 families with industrial insurance only there were more females than males. The division was 1,137 insured males and 1,212 insured females. The distribution according to the amounts of insurance on each person tends to follow somewhat the proportional pattern noted above with respect to breadwinners and others in that, in general, males carried more insurance than females. In view of the fact that the males account for 479 of the 655 breadwinners, this similarity in result is not illogical. The median amount of insurance on males was \$336 and the median amount of insurance on females was \$311.

## CHAPTER IV

### The Annual Cost of Life Insurance to the 1,666 Insured Families

Premiums Paid for Various Classes of Insurance; for Various Plans of Insurance—Relation of Premiums to Family Income—Relation of Premium Cost to Size of Family and Economic Status.

The cost of life insurance to the 1,666 insured families covered in the survey may be measured by the aggregate of the annual premiums charged for all the individual policies found in force at the time of the enumeration.<sup>1</sup> The total of these annual premium charges was \$125,794.26. It should be emphasized that this amount represents the net cost of insurance as deductions were made in each case to allow for dividends declared to policyholders.<sup>2</sup> The total amount of insurance in force on the day of enumeration was \$4,069,385. (See table 1, p. 106.) This, too, represents not the total of the "face values" of policies but the aggregate amount of the actual insurance benefits that would have been paid on all policies had the full benefits become payable on the day of enumeration.

Of course, no premiums were being paid on paid-up, extended term, or noncontributory group insurance and in the case of contributory group insurance only part of the premiums were being paid by the families.<sup>3</sup> Nevertheless, for the entire amount of insurance in force the ratio of total premiums to total insurance is 3.09 percent. Removing the influence of the noncontributory and partially contributory insurance, this ratio becomes 3.44 percent. For the industrial and ordinary insurance, including savings-bank life insurance upon which premium payments are being made, this ratio is 3.55 percent.

**Total cost of different classes of insurance.** The relative importance of the component parts of this total cost of insurance is noted in the table below. This includes all insurance covered by the survey.

<sup>1</sup> This aggregate is an understatement rather than an overstatement. It does not include premiums that may have been paid on policies that had terminated during the year by lapse or otherwise. It is also likely that there were policies in force which were not produced for inspection by enumerators. In addition it is certain that no policies were recorded that were not actually in force.

<sup>2</sup> This adjustment reduced the total premiums on industrial policies by about 9.2 percent and the total premiums on ordinary policies by approximately 14.9 percent. It is estimated that if these adjustments had not been made the total cost of all insurance in force would have been 10 percent greater than the figures actually shown in this survey.

<sup>3</sup> Table 24 indicates that there was \$207,068 of life insurance in force on which no premiums are being paid, and \$294,150 of life insurance in force on which partial premiums of \$2,815 are being paid.

Class of insurance	Insurance in force		Annual premium	
	Amount	Percent	Amount	Percent
Industrial.....	\$2,020,158	49.6	\$80,549	64.0
Ordinary (excluding savings bank).....	1,319,438	32.4	36,189	28.8
Savings bank.....	84,586	2.1	1,705	1.4
Group.....	454,597	11.2	3,579	2.8
Fraternal.....	190,606	4.7	3,772	3.0
Total.....	4,069,385	100.0	125,794	100.0

Industrial insurance, which accounted for 49.6 percent of the total insurance in force, accounted for 64 percent of the aggregate premiums paid. Thus it can be seen that in the area surveyed the population relied on industrial insurance for half of its insurance needs, for which it paid almost two-thirds of its total life-insurance bill.

**Total cost of insurance written on different plans.** Reference is made on page — in the preceding chapter to the amounts of insurance in force written on the different plans. The table below presents for industrial, ordinary, and all classes of insurance combined the premium costs of the total insurance according to the different plans.

Plan of insurance	Industrial		Ordinary <sup>1</sup>		All classes <sup>2</sup>	
	Premiums	Percent	Premiums	Percent	Premiums	Percent
Whole life.....	\$32,002	39.8	\$16,463	43.4	\$52,237	41.5
Limited-payment life.....	14,527	18.0	12,573	33.2	27,101	21.5
Endowment.....	34,020	42.2	8,366	22.1	42,385	33.7
Term.....	0	0	492	1.3	4,071	3.3
Total.....	80,549	100.0	37,894	100.0	125,794	100.0

<sup>1</sup> Including savings bank life insurance.

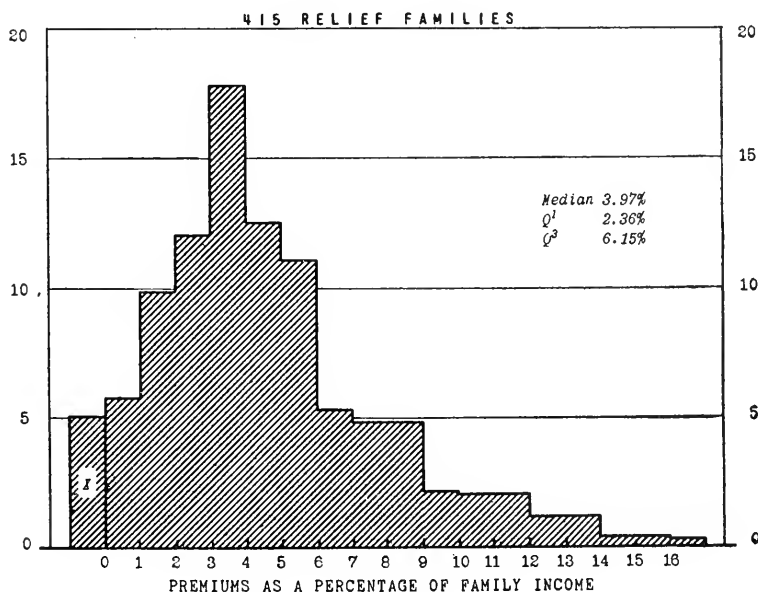
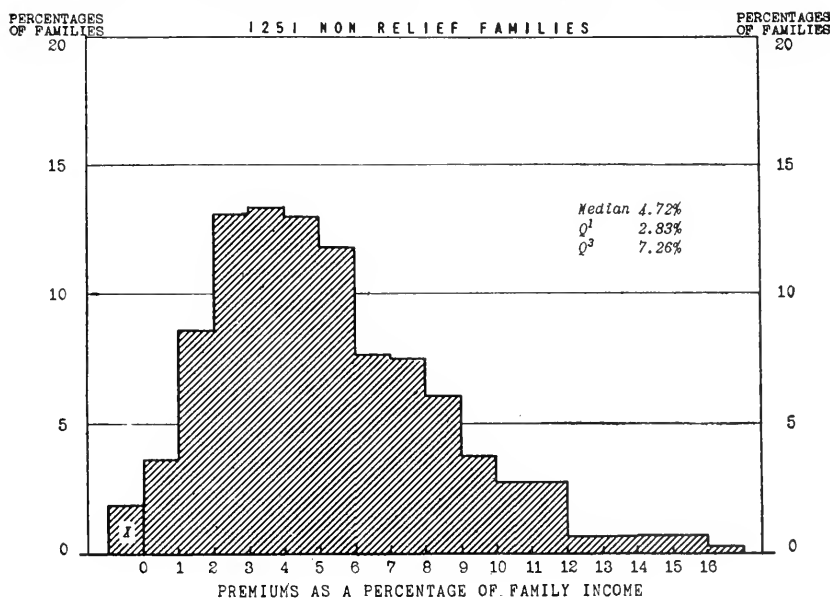
<sup>2</sup> Including savings bank, group, and fraternal insurance premiums.

It is apparent from these figures that the largest part of the industrial policyholders' premiums were spent for endowment policies which it was shown earlier were written to a large extent upon children. The total premiums on industrial endowments account for 42.2 percent of the total premiums these families paid for industrial insurance. Also, marked differences appear in the relative magnitudes of the premiums, paid on limited-payment policies. Whereas in ordinary insurance policies on this plan account for 33.2 percent, such policies account for only 18 percent of industrial-insurance premiums.

**Premiums in relation to family income.** Any appraisal of the role of insurance in the families covered in the survey must take into account the relative cost of insurance premiums to the individual family. One way of measuring the burden of premium payments is to relate the annual premiums to the annual incomes of individual families. The accompanying table and chart 18 present the results of such analysis for nonrelief and relief families separately.

CHART 18.

1666 FAMILIES CLASSIFIED ACCORDING TO THE PERCENTAGE  
OF THEIR INCOME PAID AS LIFE INSURANCE PREMIUMS



*1,666 insured families classified according to the percentage of their income paid as life-insurance premiums*

Percentage of family income paid for insurance premiums	Insured families			
	Number		Percentage	
	Nonrelief	Relief	Nonrelief	Relief
24 and over.....	3	1	0.24	0.24
22 to 23.9.....	3	1	.24	.24
20 to 21.9.....	3		.24	
18 to 19.9.....	3	2	.24	.48
16 to 17.9.....	6	2	.48	.48
14 to 15.9.....	17	3	1.36	.72
12 to 13.9.....	16	10	1.28	2.41
10 to 11.9.....	69	17	5.51	4.10
9 to 9.9.....	47	9	3.76	2.17
8 to 8.9.....	76	20	6.08	4.82
7 to 7.9.....	94	20	7.51	4.82
6 to 6.9.....	96	22	7.67	5.30
5 to 5.9.....	148	46	11.83	11.08
4 to 4.9.....	163	52	13.03	12.53
3 to 3.9.....	167	74	13.35	17.83
2 to 2.9.....	164	50	13.11	12.05
1 to 1.9.....	108	41	8.63	9.88
0.1 to 0.9.....	45	24	3.60	5.78
None <sup>1</sup> .....	23	21	1.84	5.07
Total.....	1,251	415	100.00	100.00

<sup>1</sup> Noncontributory insurance.

Source: Table 19, p. 137.

The burden in both classes of families varies from zero (in cases where all the insurance in force was either paid-up, extended term, or non-contributory group insurance) to 24 percent and over. However, as evident from the distributions, the great bulk of the families fall within a narrower range. The middle half of the nonrelief families paid between 2.83 percent and 7.26 percent of their annual incomes for life-insurance premiums. The median family in this group paid 4.72 percent. Among the relief families the picture is only slightly different. The median relief family paid 3.97 percent and the middle half of the relief families paid between 2.36 percent and 6.15 percent of their incomes for insurance.

However, it should be indicated that relatively large percentages were paid by many families in both groups. Among the 1,251 non-relief families there were 120 which paid premiums in excess of 10 percent of their incomes. There were 36 families of the 415 on relief which paid 10 percent or more of their respective incomes for premiums.

Attention is directed to the families which are insured but which pay no premiums. It will be observed that there are proportionally almost three times as many relief families as nonrelief families paying nothing for their insurance. This and other differences in the general patterns of the two distributions are traceable in part to the greater economic pressure upon the relief group and in part to the insurance advice given it by the social agencies administering relief.

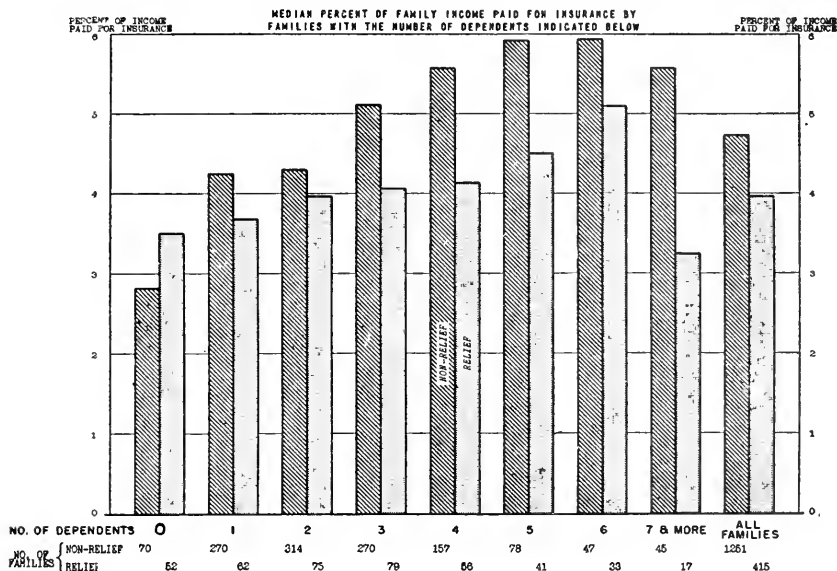
**Number of dependents and percent of family income paid as premiums.** The relation between the size of the family and its insurance



status was discussed on pages 10 and 11 in chapter II. The table and chart 19 below summarize the results of classifying relief and nonrelief families according to the number of dependents and the percentage of family income spent for insurance premiums. It may be concluded from this analysis that, except in the families with no dependents, the average relief family spends a smaller percentage of its income on life insurance than the average nonrelief family. Both classes of families, however, exhibit the same tendency to spend proportionally more as the number of dependents increases until the family has seven or more dependents. At this point smaller proportional amounts are expended for insurance.

CHART 19

RELATIVE COST OF INSURANCE AS RELATED TO THE NUMBER OF DEPENDENTS IN RELIEF AND NON-RELIEF FAMILIES



*Median percentages of income paid for life insurance premiums by families with indicated numbers of dependents*

Number of dependents in respective families	Nonrelief families		Relief families	
	Number of families	Median percent of income paid for insurance	Number of families	Median percent of income paid for insurance
7 and over.....	45	5.58	17	3.25
6.....	47	5.94	33	5.10
5.....	78	5.92	41	4.60
4.....	157	5.58	56	4.13
3.....	270	5.11	79	4.06
2.....	314	4.30	75	3.97
1.....	270	4.24	62	3.69
None.....	70	2.82	52	3.60
Total.....	1,251	4.72	415	3.97

**Economic status and relative burden of insurance cost.** A primary purpose of the survey was to discover the relative cost which families bear to carry their insurance. As may be seen in table 21 the nonrelief families were divided into three income groups—low, middle, and high. The relief families were divided into two groups, since there were so few high-income relief families. The extent of expenditure for insurance premiums was measured by the percentage of the family income paid for insurance premiums by the families in each of these income groups. It was found that, on the average, with both nonrelief and relief families, a smaller percentage of the family income was paid for life insurance as the family income increased.<sup>4</sup>

The low-income families, where there was the greatest economic insecurity, were the ones which paid the highest proportions of their income for life insurance. This was true of both the nonrelief and the relief families. One-tenth of the total family income might be considered a large proportion to spend on insurance,<sup>5</sup> yet 1 in every 5 low-income nonrelief families was spending this proportion or more of its income for life-insurance premiums. And 1 out of every 10 low-income relief families was spending a similar proportion of its income for insurance. A relatively smaller number of the nonrelief and relief families in the middle and higher income groups was spending this proportion of their incomes for life-insurance premiums. Nevertheless, among all nonrelief families, regardless of income, 9.59 percent of the total number, and among relief families 8.67 percent of the total number were spending one-tenth or more of their incomes for insurance. (See table p. 44.)

From these figures it is evident that it is the families least able financially that pay the greatest relative premiums to carry life insurance. This is particularly significant since it is shown elsewhere<sup>6</sup> that it is these families in the lowest income groups which buy the largest proportion of the relatively costly industrial insurance.

**Costs of industrial insurance in the 701 families with no other kind of insurance.** In view of the particular interest in industrial insurance, a special analysis was made of premiums paid by the 701 families which relied entirely upon this class of life insurance. These families were classified, as shown in the accompanying table and chart 20, according to economic status as measured by the average annual income per family member. (See also tables 27, 28, 29, and 30, pp. 144–147.) For the families in each economic class, figures were obtained to show the total premiums paid, the total family incomes, and the percentage ratio of premiums to income. The table contains separate figures for relief and nonrelief families in each economic class, but this detail is not shown on the chart. There appears to be a consistent indirect relation between economic status and relative burden of insurance cost in both relief and nonrelief families. The lower the average per family member income the larger is the relative cost for the life insurance held.

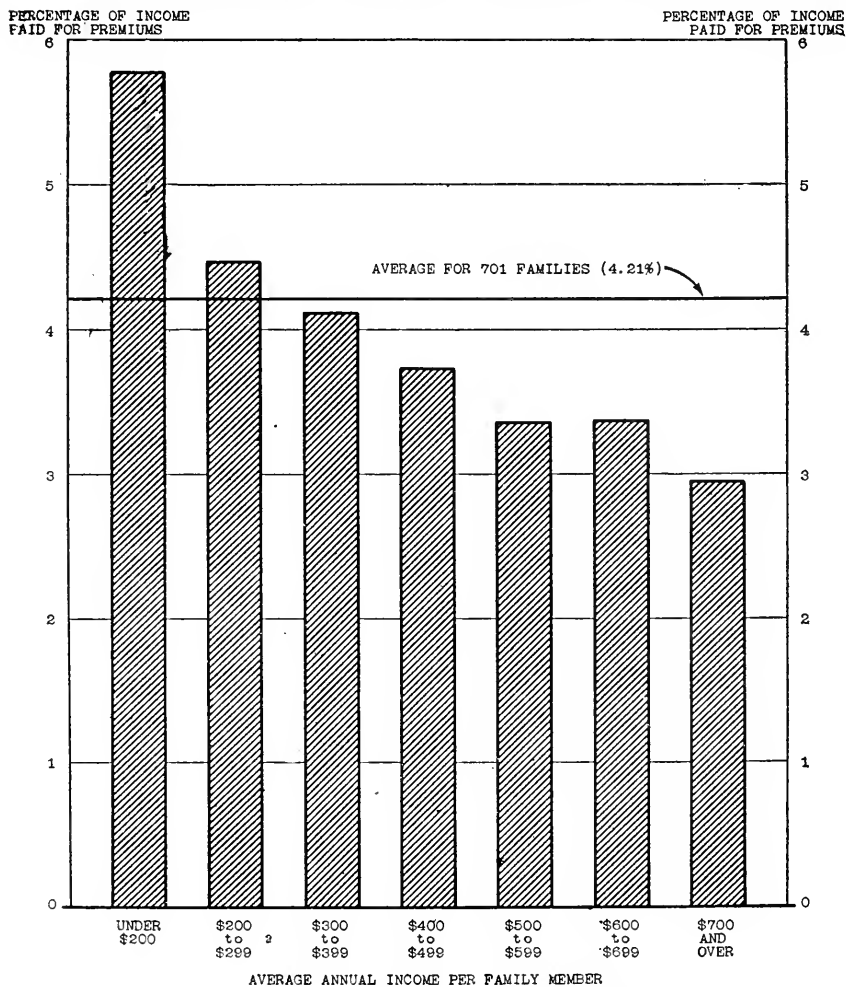
<sup>4</sup> The families shown as paying nothing for their insurance premiums were those which held paid-up, extended term, or noncontributory group insurance.

<sup>5</sup> The median nonrelief family spent 4.72 percent and the median relief family 3.97 percent of income for insurance.

<sup>6</sup> See table 22, p. 139.

CHART 20

701 FAMILIES WITH INDUSTRIAL INSURANCE ONLY CLASSIFIED ACCORDING TO  
ECONOMIC STATUS AND AVERAGE PERCENTAGE OF INCOME PAID FOR INSURANCE PREMIUMS



*701 families with industrial insurance only, classified according to economic status—premiums paid, annual income, and average percentage of income paid as premiums*

Economic status: Average annual income per family member	Number of families	Nonrelief families	Relief families	All families
		Total annual premiums paid		
\$700 and over .....	45	\$2,340.90	\$159.93	\$2,500.83
\$600 to \$699 .....	30	1,735.06	98.80	1,833.86
\$500 to \$599 .....	50	2,351.95	672.41	3,024.36
\$400 to \$499 .....	70	2,924.96	753.51	3,678.47
\$300 to \$399 .....	128	5,511.22	1,039.46	6,550.68
\$200 to \$299 .....	206	5,346.95	4,383.95	9,730.90
Under \$200 .....	172	3,358.59	5,342.67	8,701.26
Total .....	701	23,569.63	12,450.73	36,020.36

		Total annual income reported		
\$700 and over .....	45	\$76,790.00	\$7,907.00	\$84,697.00
\$600 to \$699 .....	30	51,145.00	3,222.00	54,367.00
\$500 to \$599 .....	50	68,607.00	21,403.00	90,010.00
\$400 to \$499 .....	70	74,220.00	24,294.00	98,514.00
\$300 to \$399 .....	128	130,420.00	28,625.00	159,045.00
\$200 to \$299 .....	206	113,082.00	104,391.00	217,473.00
Under \$200 .....	172	46,724.00	103,895.00	150,619.00
Total .....	701	560,988.00	293,737.00	854,725.00

		Percentage of income paid for insurance premiums		
\$700 and over .....	45	3.05	2.02	2.95
\$600 to \$699 .....	30	3.39	3.07	3.37
\$500 to \$599 .....	50	3.43	3.14	3.36
\$400 to \$499 .....	70	3.94	3.10	3.73
\$300 to \$399 .....	128	4.23	3.63	4.12
\$200 to \$299 .....	206	4.73	4.20	4.47
Under \$200 .....	172	7.19	5.14	5.78
Total .....	701	4.20	4.24	4.21

**Proportion of total family premiums paid for insurance on the chief breadwinner.** In view of the special interest in the chief breadwinner and his insurance, to which attention was first directed in chapter III, it was thought advisable to determine the relative amounts of premiums paid out of family income for his insurance.

There were 1,071 families which held either industrial, or industrial in combination with ordinary insurance. Of these families there were 63 relief families and 3 nonrelief families in which there were no breadwinners. The remaining 1,005 families were classified according to the number of dependents in each. There were 64 with no dependents, 414 with 1 or 2 dependents, 361 with 3 or 4 dependents, and 166 with 5 or more dependents. Each of these classes of families was then broken down to show what percentage of the total premiums paid by the respective families was paid for insurance on the chief

breadwinner. The details of this analysis will be found in table 23, p. 140, an examination of which will show that while in 56 families 100 percent of the family premium was paid on the chief breadwinner, there were 182 of these insured families in which no premiums were paid to maintain insurance on the chief breadwinner. In 275 cases 50 percent or more of the respective family premiums were paid on the chief breadwinner while in 730 cases the percentages were less than 50 percent.

In general it will be observed that the increase in the number of dependents in the family is associated with a decrease in the percentage of the total premium paid for the breadwinner's insurance. However, the absolute amounts of premiums paid on chief breadwinners remain about the same regardless of the number of dependents.<sup>7</sup> This indicates that families owning industrial policies tend to regard the insurance on the breadwinner as something that has little or no connection with the number of persons who are dependent upon the earnings of the chief breadwinner. It tends to support the conclusion that industrial insurance on the chief breadwinner is regarded primarily as burial insurance.<sup>8</sup>

<sup>7</sup> Average amounts of insurance and premiums on chief breadwinners in different groups are as follows (see table 29, p. 146):

Dependents	Insurance on chief breadwinner	Premiums paid on chief breadwinner
5 and more.....	\$594	\$24. 87
4.....	567	22. 47
3.....	529	21. 34
2.....	594	23. 09
1.....	576	22. 71
None.....	505	21. 54

Other aspects of the insurance on breadwinners are presented in tables 24 and 25, pp. 141-142.



## CHAPTER V

### Miscellaneous Problems

Complex Nature of a Typical Family's Insurance Program—Number of Policies per Family—Multiple Company Coverage—Lapsation—Advantage Taken of Discounts for Payment of Premiums at Company Office—Frequency of Premium Payment—Use of Savings Institutions.

The study included a number of subjects of considerable interest in themselves but which were not sufficiently related to the content of preceding chapters to be included therein. These items are presented in this chapter. The first deals with the multiplicity of insurance contracts held by the various families and throws some light upon the confusion that was frequently evident in the policyholder's mind concerning the exact nature of the insurance protection he had.

**Number of policies held by individual families.** The 1,666 insured families owned a total of 10,150 life-insurance policies. Thus there were 6.1 policies held by the average family with insurance. However, families exhibited wide variations in the number of policies which they owned. One family was found with 43 separate life-insurance contracts in force (see *The Baker Family*, p. 64). The accompanying data (based on tables 31 and 32, pp. 148-149) summarize an analysis of families classified according to the number of industrial and ordinary policies found in each family.

Of 1,666 families with insurance:

- 84 families (5 percent) had 15 or more policies
- 305 families (18 percent) had 10 or more policies
- 620 families (37 percent) had 7 or more policies

Individual policies vary considerably with respect to the benefits and the conditions under which benefits become available. It is apparent that the larger the number of policies involved in the life-insurance protection of a family the greater will be the difficulty in understanding the exact nature of the family's insurance program.

**Multiple-company coverage—industrial insurance.** As indicated in the introduction to this report prior to this survey little or no information existed regarding the extent to which individual families hold policies in more than one life-insurance company.<sup>1</sup> It was recognized that cases of multiple-company coverage arise when individuals insured in different companies become members of the same family group. It was also recognized that multiple-company coverage in industrial insurance involving as it would two or more agents making weekly calls at the home of the insured for the dual purpose of collecting premiums and selling new policies might be responsible for some

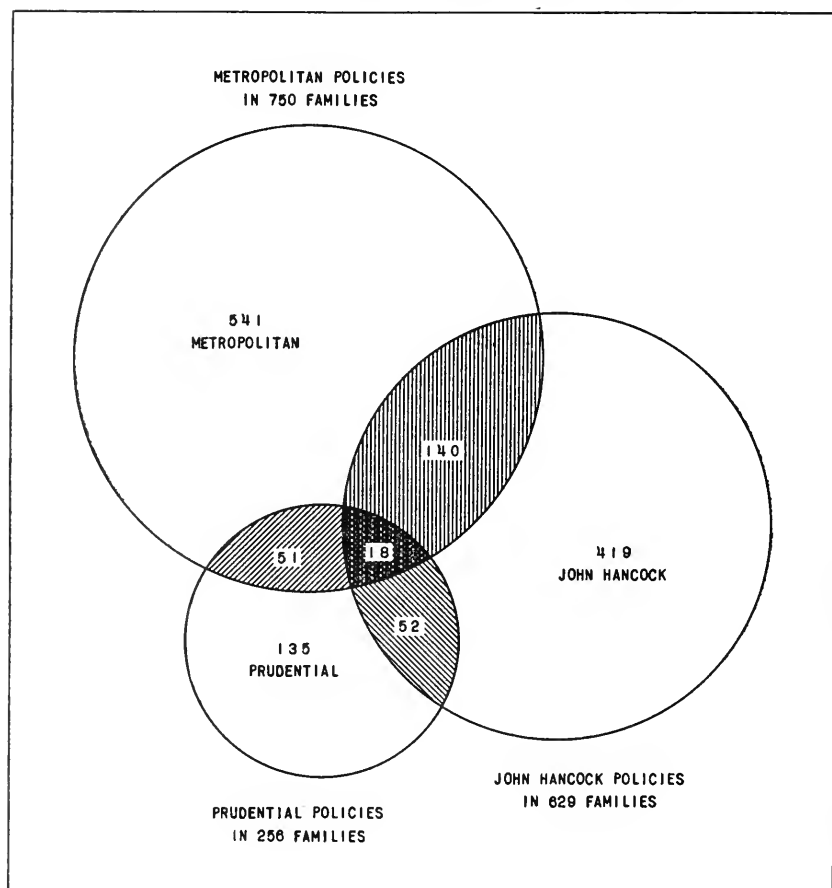
<sup>1</sup> Multiple company coverage with respect to all kinds of insurance is summarized in table 33, p. 150.

of the confusion existing in family insurance programs. This situation was explored with the following results:

There were 1,427 families paying premiums on industrial insurance<sup>2</sup> to 1 or more companies. The Metropolitan was collecting premiums from 750, or over half of the families, and the John Hancock from 629 families. The Prudential collected premiums from 256 families, and the Boston Mutual from 126 families. A large propor-

CHART 21

EXTENT OF DUPLICATION IN COVERAGE BY THE THREE LARGEST INDUSTRIAL LIFE INSURANCE COMPANIES AMONG 1356 FAMILIES



Source: Table 34

DS-1499 Prepared by Sec. & Exch. Comm.

tion of these families was covered by more than 1 company. The Prudential showed the highest proportion of families which were paying premiums also to one or more of the other companies—48 percent or almost half of its total number. The Boston Mutual was second with 44 percent; the John Hancock next with 36 percent; and the Metropolitan, with 31 percent, had the lowest proportion of its

<sup>2</sup> There were 36 families which had industrial policies in force on which they were not paying premiums, as their policies were paid-up or extended term insurance.



families with policies in other companies. Of the total 1,427 families 1 out of 5 held industrial insurance in 2 or more companies. A summary of the multiple company coverage follows (details are given in table 34, p. 151):

*Extent of multiple company coverage in 1,427 families paying premiums on industrial insurance*

Companies	Number of families with industrial policies			
	1-company families	2-company families	3-company families	Total
Metropolitan.....	520	200	30	750
John Hancock.....	401	200	28	629
Prudential.....	132	102	22	256
Boston Mutual.....	71	42	13	126
Total families.....	1, 124	272	31	1, 427
	Percent of families with industrial insurance			
Metropolitan.....	69.3	26.7	4.0	100
John Hancock.....	63.7	31.8	4.5	100
Prudential.....	51.6	39.8	8.6	100
Boston Mutual.....	56.4	33.3	10.3	100
Total percent.....	78.7	19.1	2.2	100

The complexity resulting may be described by the situation in regard to the Metropolitan. Of the 200 two-company families in which the Metropolitan was represented, 131 had John Hancock policies, 48 had Prudential policies, and 21 had Boston Mutual policies. Among the 30 three-company families in which the Metropolitan was represented, 18 had both John Hancock and Prudential policies, 9 had both John Hancock and Boston Mutual policies, and 3 had both Prudential and Boston Mutual policies.

Chart 21 on page 52 illustrates the extent of multiple company coverage as it relates to the industrial insurance of three companies only: the Metropolitan, John Hancock, and Prudential. In 261 or 19.2 percent of the 1,356 families involved, at least 2 different companies (and in 18 families all 3 companies) had industrial policies in force.

**Lapse and surrender experience of families enumerated.** In table 35, page 152, there are summarized the facts which reflect the lapse and surrender experience of families enumerated. This information is based not only upon the lapsed policies actually examined by the enumerators but also upon the answers recorded to the question as to whether the families had ever cash-surrendered or lapsed policies other than those shown the enumerator. In all, there were 1,879 families for which this information was obtained; 728 or 38.74 percent indicated that they had previously held policies which had lapsed or had been surrendered prior to the day of enumeration. It will be observed that the lapse and surrender experience of the families which were insured was quite different from that of the families which had

no insurance when the enumerator called upon them. Of the insured families 34.27 percent and of the uninsured families 64.29 percent reported lapse or surrender experience. In both insured and uninsured families the reported lapse or surrender experience was considerably greater among the families on relief than it was among the families not on relief.

**Discount for making payments at office of company.** Holders of industrial policies in the Metropolitan or of industrial policies in the Prudential or John Hancock issued after January 1, 1937, and January 1, 1939, respectively, may reduce their premium payments if they will make them directly at the offices of their respective companies.<sup>3</sup> Of the 1,273 families which answered the question intended to determine the extent to which advantage was taken of the discount for paying at the office, only 363 indicated that they had ever followed this practice. This result is necessarily qualified by the fact that certain of the 363 families may have taken the advantage in the past but were not at the time of enumeration making payment at the company office. On the other hand, enumerators discovered that many families were not aware of this opportunity to reduce their premiums. Also the answers enumerated do not disclose how successful families were in maintaining the regularity of office payments throughout the year.

**Families' preference as to frequency of premium payments.** The 1,427 families which were paying premiums on industrial insurance were interrogated to discover whether the families could conveniently pay insurance premiums on a monthly basis as well as to determine on which basis they preferred to pay. All but 81 of these families were reported on this question. Four hundred ninety-eight indicated that they *could* pay on a monthly basis, while 848 indicated that they *could not*. Of the 498 families which indicated that they could pay on a monthly basis, 214 preferred the convenience of weekly payments. Of the 848 families which could not pay monthly, 744 indicated that they preferred payments on a weekly basis. (See table 36, p. 152.)

These results indicated the current preference, based upon convenience. Enumerators were not allowed to indicate the premiums would be lower on a monthly basis. The great predominance of families which find it convenient to pay on a weekly basis is evidence of one of the great appeals of industrial insurance.

**Premiums paid for 259 persons living away from their respective families.** As indicated elsewhere in this report, the families enumerated paid the premiums on life-insurance policies written on the lives of 259 persons who were not living with their respective families. Such arrangements were found in a total of 171 families, 46 of which families were receiving some form of relief. In table 37 these families are shown classified according to the percentage of their respective total insurance premiums paid on insurance covering persons living away from their families. A wide variation in the relative importance of these payments is evident. Two families paid as much as 100 percent of their entire expenditure for insurance on policies of absent

<sup>3</sup> "If, while there is no default in the payment beyond the grace period, notice of the desire to pay premiums directly to the company and through an agent is given to the company at any office which maintains an account for receiving direct payment of premiums, then, after premiums have thereafter been paid directly to such an office continuously for a period of 1 year without default beyond the grace period, the company will, at the expiration of such year, return as an allowance for such direct payment, a sum equal to 10 percent of the total of the year's premiums so paid." Quotation from the Metropolitan Industrial Department Rate Book. Part 12, R. 5906, 6121.

persons. However, there is concentration of families between 20 percent and 30 percent and over half of these families pay less than 20 percent upon absent persons.

**Noncontributory and partially contributory insurance.** Of the 10,150 insurance policies found in force in the families enumerated there were 670 policies representing \$501,218 of insurance upon which the full premiums were not being currently paid out of the incomes of the families respectively involved. The bulk of this (over 82 percent) is represented by insurance, generally group insurance, arranged for by employers in behalf of their employees. There were 134 certificates or policies representing \$123,345 of insurance on which the families of the insured paid nothing. In addition, there were 251 certificates or policies for an amount of \$294,150 upon which employees contributed part of the premium.

The balance of the insurance—that represented by 285 policies for an amount of \$83,732—was entirely paid-up. This insurance was of two classes, industrial and ordinary. Of the industrial there were 55 policies upon which the entire premium had already been paid; 9 policies in force as paid-up whole life for reduced amount; and 192 policies classified as “extended term,” upon which no premiums were being paid. In the case of industrial insurance, paid up or extended insurance usually arises merely as a result of nonforfeiture benefits—not by exercise of options. The latter two groups of policies had arisen as a result of the exercise of options under nonforfeiture provisions of the policy contracts. There were 24 ordinary policies for a total amount of \$21,182, classified as paid-up, and 5 ordinary policies for an amount of \$5,000, classified as extended term. (See table 38, p. 153.)

**Use of visiting nurse service.** Both the Metropolitan and the John Hancock offer visiting nurse services free to their industrial policyholders. In an attempt to discover the extent to which policyholders had availed themselves of this service a question concerning its use was included in the schedule.<sup>4</sup>

The answers to this question (table 39) were tabulated separately for nonrelief and relief families, and, in each group, families were further subdivided on the basis of economic status. Of the 1,216 eligible families which replied to this question, 515, or 42 percent, had at some time made use of the nursing services. Relief families appeared to have availed themselves of this service to a slightly greater degree than the nonrelief families. When the families are examined with respect to their economic status it appears that the poorer families made more use of the nursing services than those whose incomes were higher. For example, of the nonrelief families 28.34 percent in the high-income group and 53.23 percent in the low-income group had made use of the visiting nurse service.

**Use of life insurance and other savings institutions by families enumerated.** It is recognized that life-insurance companies differ in many respects from such institutions as mutual savings banks, and that insurance premiums paid by policyholders are not the same as savings deposited in the bank. Nevertheless, the *savings* feature is frequently stressed in the sale of life insurance and certain kinds of

<sup>4</sup>When the schedule was drafted it was thought that this service was offered solely by the Metropolitan. Before enumeration started it was discovered that the John Hancock also offered this service. Verbal instructions to the enumerators directed them to ask the question of families insured in both of these companies.

policies, particularly endowment policies <sup>5</sup> (and to a considerable extent limited payment life policies) are purchased primarily as means of accumulating savings.

In order to determine the relative extent to which the families included in the survey depended upon life insurance in comparison with other forms of savings institutions, a question directed toward this point was included in the schedule. Families were asked which, if any, of such institutions as savings banks, savings departments of commercial banks, cooperative banks, postal savings, or credit unions, were used by any members of the family. All but 100 of the 2,132 families answered this question. The results of this inquiry are summarized in table 40, in which families are shown classified according to economic status. It is at once apparent from the figures that economic status has a direct bearing upon the prevalence with which families reported using savings institutions. In the group as a whole only 13.5 percent of the families in the lowest-income group and 64.1 percent of those in the highest-income group used financial institutions other than life insurance. On the other hand, 69 percent of the families in the lowest-income group and 89 percent of the families in the highest-income group were insured. It is thus apparent that the lower the family income the greater is the extent of dependence upon life insurance.<sup>6</sup>

In the group as a whole, 78 percent of the families were using life insurance, while only 30 percent of the families were using any institutions other than life insurance for the accumulation of savings. There were only 466 families which were not insured at all, but 1,431 families reported that none of their members made use of the other types of formal savings institutions. Whereas 1,056 families held insurance and no other form of savings, there were only 60 uninsured families which made use of these savings institutions. These facts stress the predominant importance of life insurance in the families included in the survey. These families rely upon life insurance to a far greater extent than they do on all other forms of savings institutions combined.

<sup>5</sup> It was shown (p. 42) that 42.2 percent of all industrial premiums are paid on endowment policies. Reference to table 10 will show that 55.78 percent of all industrial endowments were written on the lives of children under 10 years of age, where presumably the savings aspect has its greatest appeal.

<sup>6</sup> It was shown earlier (p. 20) in this report that the lower the economic status of the family the greater is the relative importance of *industrial* insurance.

## CHAPTER VI

### Case Studies: Insurance Programs of Selected Families

Criteria for Judging a Family's Insurance Program—  
Classes of Insurance—Plans of Insurance—Family  
Members Insured—Illustrations of Various Family In-  
surance Programs.

In order to appraise critically the kinds and amounts of insurance found in force in a particular family it is necessary to know a great many facts about the family and its members. Life insurance is so intimately tied in with the existence and ultimate objectives of a family that one must know not only the number of family members, their sex and age, but also their capacities, their desires and their expectations with respect to the future. It is necessary to know what resources the family possesses, the nature of its income and the prospect of its stability. In addition, consideration must be given to the occupation and health of the family members, as these may indicate whether or not they are insurable.

It is obvious that the wide variation existing among families makes it impossible to set forth categorically the specifications for an insurance program that would have universal application. However, for a family on relief or one with income barely sufficient to provide food, clothing and shelter, two general principles can be stated which should enable one to judge whether or not such a family's insurance is well-planned. These principles are based on the relative cost of insurance and the distribution of the insurance on the various members of the family.

The first principle is that the individual should not commit himself to pay more premiums than he may expect to be able to continue. Lapsation which results from attempting to carry too heavy a premium burden is very costly. From this it follows that in the families about which we are chiefly concerned the individual should avail himself of the least expensive class of insurance for which he is eligible and which his financial circumstances warrant.

Evidence was presented in the hearings<sup>1</sup> that showed the wide difference in the cost of ordinary and industrial insurance and the differences in the costs of insurance policies written on different plans. As among classes, little will be said of fraternal insurance. It is relatively insignificant in amount and is available only to a limited number of individuals. *Group* insurance is also relatively unimportant in amount. It, too, is generally available only to individuals who happen to be employed by those business concerns that have deemed it a wise labor policy to purchase wholesale insurance for their employees. In most instances it is probable that individuals would be ill-advised not to avail themselves of the protection of a group policy

<sup>1</sup> Part 12, Exhibit Nos. 1004, 1034-1037.

if such an opportunity were open to them. It is also probable, inasmuch as the continuation of protection at the low cost of a group policy depends upon the continuity of employment with a particular employer, that it would be unwise for a family to depend entirely on group insurance for its life-insurance protection.

The most significant question, then, concerns the choice between the industrial and ordinary insurance. As between these two, the cost of industrial insurance is much greater than the cost of ordinary insurance but that cannot be made the sole criterion. Industrial insurance includes services which are not available under ordinary insurance. Most industrial insurance premiums are collected on a weekly basis at the policyholder's home, while ordinary insurance premiums generally must be paid annually (and less often, quarterly or monthly) at the office of the company. Industrial insurance is issued usually without a medical examination, whereas ordinary insurance is issued only after the applicant has demonstrated that he is in satisfactory health by passing a medical examination. The greater frequency of premium payments, the method of premium collection, and the less stringent physical requirements of industrial insurance account to a great extent for its cost being higher than that of ordinary insurance. Therefore, the financial ability and the physical condition of the individual must be considered in selecting the class of insurance to be carried.

From the first principle there flows another consideration which relates to the plan of insurance desirable. As among the various plans upon which insurance policies are written it is more difficult to decide which should be included in the insurance program of a particular family. Term insurance, the plan upon which all group insurance is written, is the cheapest form of protection. However, industrial insurance is not sold on the term plan and little ordinary insurance is originally issued in this form. All other plans of insurance contain an element of savings in their premiums. There is less of the savings element in whole life insurance than in limited payment life or endowment policies. For that reason the premium on a whole life policy is less than that on a limited payment life policy, and the premium on a limited payment policy is less than that on an endowment policy. The great variation that exists in the hopes and ambitions of families finds expression in the variety of plans of life insurance written. However, among those families which are either on relief or which have such low incomes that they have insufficient means for current living there should be no question but that their insurance programs should be made up of policies written on the lowest premium plan. In other words, relief families and other low-income families would be well advised to carry only whole life policies whether these were written as industrial policies or ordinary policies. A life insurance program should be concerned with protection rather than with the accumulation of wealth. In low-income families where voluntary savings are difficult it is a costly and hazardous process to combine protection with involuntary savings.

A second general principle in appraising a family's insurance program relates to the manner in which the insurance is distributed upon the various members of the family. It is a sound principle that the

amount of insurance should vary directly with the economic importance of the individual to the stability of the family. Thus, the amount of insurance carried on the head of the family where no other member of the family is employed, should, if possible, be large enough to provide the family in the case of his death with cash enough to maintain them over the period of readjustment. Where there is more than one breadwinner in the family the concentration need not be so great upon the chief breadwinner. Insurance carried on dependent members of the family can be restricted safely to the amounts necessary to care for final illness and burial.

From the foregoing it may be apparent that the criticism of an existing program of insurance in a particular family involves a knowledge of many facts not easily obtained or capable of brief summarization. Moreover, it must be borne in mind that the variety of circumstances found in a family at a particular time may be quite different from the circumstances that prevailed when insurance now in force was first taken out. Therefore, one must be cautious in formulating a criticism of either families, agents, or companies on the basis of particular insurance programs. Nevertheless, it was felt desirable to present the details of a series of individual case studies showing the types of insurance programs found in a variety of families. These, it is hoped, will illustrate the kinds of situations and problems revealed by the survey. The facts described were obtained by the enumerators at the time the family schedules were filled out. These were later verified by field supervisors when calls were made to check the original work of the enumerators. In every case names have been changed so as not to disclose the identity of persons involved. In every other respect the facts are exactly as reported on the respective family schedules. It is hoped that these cases will enable the reader to visualize the range of conditions found in the survey and to understand better the meaning of the figures in the statistical tables.

### **The White Family**

**Nonrelief Family—Well-Planned Program of Industrial Insurance—50 Percent of Premium on Breadwinner—All Policies on Whole Life Plan.**

An example of industrial insurance well-planned to fit their economic status was that of the White family. The family consisted of five—father, mother, and three dependent children. Mr. White had seasonal employment and earned \$504 for the year, an average of \$101 for each member of the family. He had placed the largest amount of insurance on himself. The next largest amount was placed on the mother of the family, and the children were covered by the amount of insurance purchasable for a nickel a week. In each case the insurance was on the whole-life plan. Premium payments cost the White family 5.7 percent of their income.

The insurance holdings of the White family were as follows:

*The White family and their industrial insurance in force Aug. 31, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, Jacob White.....	43	Whole life.....	5	\$378	\$14.40
Mother, Rebecca.....	41	do.....	6	204	7.20
Son, Ernest.....	18	do.....	7	152	2.40
Son, Charles.....	17	do.....	8	167	2.40
Son, William.....	16	do.....	8	173	2.40
Total, 5 family members, all insured.	.....	5 policies.....	.....	1,074	28.80

Total family income, \$504.

Average annual income per family member, \$101

Premiums as a percent of income, 5.7 percent.

Fifty percent of total premium paid on breadwinner.

All policies issued by the same insurance company.

### The Simmons Family

Nonrelief Family of Five, all Insured—Premiums Amount to 12.5 Percent of Family Income—Practice of Surrendering Policies for Cash in Emergencies.

Mr. and Mrs. Simmons with their three children occupied half of an old duplex frame house located in one of the industrial areas of Cambridge. Mr. Simmons was employed as a specialty cook in a packing plant. During the past 52 weeks his salary had averaged slightly better than \$25 per week. On an annual basis, this amounted to \$1,320. The family had no savings other than their insurance and were entirely dependent upon the weekly income. No "relief" in any form had ever been received.

The Simmonses looked upon their insurance as a form of savings. On occasions when they had needed cash in excess of current income they had "cash surrendered" some of their policies and had replaced them later when they were able. Such a transaction had actually occurred in the interim between the date of original enumeration and the date on which the supervisor called. Mr. Simmons had been hard pressed for cash. Accordingly, one of Mrs. Simmons' policies, a cumulative endowment policy, was turned over to the insurance agent for cash surrender. There was every expectation that this insurance would be replaced. This same performance had gone on before, and eventually a new policy had been taken out to replace the policy that had been cashed in.

It was evident that the Simmons family held their insurance agent in high esteem. Both Mr. and Mrs. Simmons regarded him as an individual who had helped them in time of need. If it were not for him, they said, they would not have had the policies which gave them their feeling of security and this ability to secure cash in an emergency.

The policies held by the Simmons family are shown in the following table:



*The Simmons family and their insurance policies in force Aug. 10, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, John Simmons .....	31	Industrial cumulative endowment.	5	\$174	\$11.50
		do .....	5	174	11.50
		Industrial whole life .....	5	477	11.50
		Whole life (intermediate monthly) ..	2	1,167	30.12
		Term (group) .....	5	2,000	15.60
Mother, Elsa .....	31	Industrial cumulative endowment	5	175	11.25
		Industrial 20-payment life .....	3	250	10.40
		Industrial whole life .....	2	328	10.40
		Industrial 20-payment life .....	0	295	13.00
Son, William .....	7	Industrial whole life .....	2	435	7.80
Daughter, Suzanne .....	3	do .....	2	225	7.80
		Industrial 15-year endowment .....	3	82	11.75
Son, John .....	1	Industrial 20-year endowment .....	1	100	13.00
Total, 5 family members, all insured.		13 policies .....		5,882	165.62

Total family income, \$1,320.

Average annual income per family member, \$264.

Premiums as a percent of income, 12.5 percent.

Forty-eight percent of premiums on breadwinner.

All policies except term policy in the same insurance company.

### The Varna Family

Nonrelief Family of 10 Members Paying 5.4 Percent of Their Income on 23 Policies—Policies on the Parents Sacrificed to Maintain Policies on the Children.

The Varna family is illustrative of a fairly common occurrence where insurance on the parents has been sacrificed in order that policies could be carried on the children. Mr. and Mrs. Varna had carried insurance on themselves and on their children before the depression. The children were not old enough to work at that time, and Mr. Varna was the sole support of the family. As financial conditions grew worse for the Varna family, Mr. and Mrs. Varna gave up all of their own life insurance but kept what they could of the insurance on the children. Even when the older children went to work and contributed to the family income, Mr. and Mrs. Varna took out more insurance on them and on the younger children, but not on themselves.

At the time of enumeration, there were 4 employed members of the family. Mr. Varna earned \$20 a week; the eldest son, \$15 a week; another son, \$13 a week, and the daughter earned \$12 a week. The total family income for the year was \$3,120. The only whole-life policy was carried by the eldest son. Eighteen of the remaining 22 policies were short-term industrial endowments, the other 4 being industrial 20-payment life policies. Mr. and Mrs. Varna stated that they wanted to secure for their children a nest egg with which to start them out in life, and their means of doing so is indicated by the similarity of plans of the policies taken out on the children.

The Varna family insurance holdings were as follows:

*The Varna family and their life insurance policies in force Aug. 24, 1939*

Family member	Present age	Class and plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, Daniel Varna.....	54	Insurance lapsed or surrendered.....			
Mother, Marla.....	52	do.....			
Son, Nicholas.....	28	Ordinary endowment at 85.....	4	\$2,000	\$32.54
Son, Samuel.....	25	Industrial 20-year endowment.....	6	515	25.32
Daughter, Vivien.....	23	Industrial 15-year endowment.....	9	167	10.75
Son, William.....	21	do.....	9	167	10.75
		Industrial 20-payment life.....	5	256	6.90
Son, Robert.....	18	Industrial 15-year endowment.....	9	167	10.75
		Industrial 20-payment life.....	5	256	6.44
Son, Joseph.....	16	Industrial 20-year endowment.....	10	53	2.10
		do.....	9	52	2.15
		do.....	8	52	2.20
		do.....	7	104	4.40
		Industrial 20-payment life.....	5	256	5.98
Son, Albert.....	14	Industrial 20-year endowment.....	10	53	2.10
		do.....	8	52	2.15
		do.....	8	52	2.20
		do.....	7	104	4.40
		Industrial 20-payment life.....	5	256	5.52
Son, Richard.....	11	Industrial 20-year endowment.....	10	53	2.10
		do.....	9	52	2.15
		do.....	8	104	4.40
		do.....	7	52	2.20
		do.....	6	256	11.25
Niece, Helen (not living with family).....	23	do.....	6	160	11.00
Total, 10 family members, plus 1 not living with family; 8 family members insured.		23 policies (1 ordinary and 22 industrial).	22	5,239	169.75

Total family income, \$3,120.

Average annual income per family member, \$312.

Premiums as percent of income, 5.4 percent.

Chief breadwinner uninsured; other breadwinners, 31 percent of premiums.

All policies issued by the same company.

### The Kelly Family

Nonrelief Family Paying Premiums on 6 Persons at Home and 1 Away From Home—35 Lapsed Policies—13 Industrial Policies in Force.

An example of the confusion and carelessness frequently found in industrial life insurance holdings is illustrated in the insurance of the Kelly family. There were six members of the family living at home—a father, mother, and four children. The father and one son had jobs in private employment, and together had earned \$2,548 during the year previous to the date of enumeration.

The Kelly family had in their possession records of 35 industrial policies which had been permitted to lapse after premiums had been paid for 2 to 3 years. They reported that they had also had other policies which had lapsed previously, but there were no records to

show the nature of these policies. The lapsed policies in their possession showed that previous to lapse there had been liens on policies of each member of the family—some 19 liens in all. The policies had lapsed before they had acquired any nonforfeiture values. Two of the lapsed policies were on Mrs. Kelly's brother whose present address was unknown.

The insurance in force on the Kelly family at the time of enumeration consisted of 13 industrial policies, all taken out on the same day with the same company, the same company which had issued the lapsed policies. They were all 20-payment life policies, except one which was a 20-year endowment. The family had paid the premiums on these policies for a year and a half, as was indicated in the premium receipt book, but they claimed that they had never received the 13 policies from the agent of the insurance company. That the family was having difficulty in meeting the premium payments was indicated by the fact that the last payments had been made almost 4 weeks previous to the date of enumeration. These policies were, therefore, very near the point of lapsation as the grace period allowed had almost expired.

The insurance policies in force in the Kelly family were as follows:

*The Kelly family and their industrial policies in force Sept. 18, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, Michael Kelly.....	44	20-payment life.....	1	\$250	\$15.60
		.....do.....	1	250	15.60
Mother, Mary.....	45	.....do.....	1	250	15.60
		.....do.....	1	250	15.60
Son, Robert (not living with family).	25	.....do.....	1	250	9.88
		.....do.....	1	250	9.88
Son, John.....	21	.....do.....	1	250	9.36
		.....do.....	1	250	9.36
Daughter, Agnes.....	19	.....do.....	1	250	8.84
		.....do.....	1	250	8.84
Son, Albert.....	17	.....do.....	1	250	7.80
		.....do.....	1	250	7.80
Daughter, Rose.....	8	20-year endowment.....	1	250	13.00
Total, 6 family members, plus 1 not living at home, all insured.	-----	13 policies.....	-----	3,250	147.16

Total income of family, \$2,548.

Average annual income per family member, \$425.

Premiums as percent of income, 5.8 percent.

All policies including lapsed policies issued by same insurance company.

Percent of premiums paid on chief breadwinner, 21 percent; on other breadwinner, 13 percent.

There seems little reason to doubt the claim of the family that they never received the policies on which they were paying premiums, especially as this report was made in a number of instances. The situation indicates carelessness on the part of the agent as well as the family.

The family is now paying premiums on 12 20-payment life policies amounting to \$134.16 annually for \$3,000 of insurance. Considering the previous insurance history of the family, a question might be raised as to the wisdom of the concentration on the relatively expensive 20-payment life policies. The Kelly family had obviously had difficulty over a period of years in meeting premium payments. Therefore it might have been better if they had been sold on the least expensive plan—whole life. However, if their agent had sold them the same amount of insurance (\$500 on each person) on the same plan but with *monthly* premiums (on the *monthly debit ordinary* basis) he could have reduced their premiums by 12 percent.

On the other hand, if their agent had sold them *whole life* policies on the monthly debit ordinary basis he could have staggered the premium payments on these policies so that each person could have had the same insurance protection and the family would have to pay \$2.47 on each of *only 3 weeks* each month. They now pay \$2.82 *every* week of the year for no greater protection.

### The Baker Family

Forty-three Policies in Force in Four Different Companies—High Income Family Paying 10.9 Percent of Its Income for Industrial, Ordinary, and Group Policies.

In general the survey found two relationships between families and their insurance: (1) The larger the income, the greater the amount of insurance carried; (2) the larger the number of dependents, the greater the proportion of income spent for insurance.

The Baker family is an example of these relationships. It consisted of a father, mother, and 8 children ranging in age from 26 to 7 years. The father held a good job in private employment, the eldest daughter had a clerical position, and the eldest son had a part-time job. Among them they accounted for an annual income of \$4,224. Like other families in similar circumstances the Bakers held life insurance in a number of different companies. This was only partially due to policies taken out before marriage, as almost all of the policies held by this family were taken out after the marriage. In addition to a group certificate held by the daughter, there were 42 policies, of which 7 were ordinary policies held in three different companies, and 35 were industrial policies held in three different companies. The distribution of these 35 policies among the three companies was 14, 11, and 10; 24 were short-term endowments and 23 were on the children. Of the ordinary policies, premiums were paid monthly on 3, quarterly on 2, semiannually on 1, and annually on 1. Premiums on the 35 industrial policies were paid weekly to the 3 different agents representing their insurance companies. The large number of policies distributed among so many companies and the system of premium payments made a difficult bookkeeping problem for the Baker family, especially as it was not well informed on either the face value of its policies or the premiums to be paid on all the policies. They were unusual, however, among large families with many policies in that they had never had any life-insurance policies other than the ones in force on the date of enumeration. Only once had the Baker family borrowed on an insurance policy, and that was during the depression. They owned their own home, and had a savings account. The savings features of

short-term endowments impressed them strongly and they carried such policies on every member of the family in varying amounts. But in order to carry these endowments and the other policies they held, the Baker family had to allocate 10.9 percent of their annual income to the payment of life-insurance premiums.

The insurance holdings of the Baker family were as follows:

*The Baker family and their insurance in force Sept. 15, 1939*

Family member	Present age	Class of insurance and company			Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
		Group	Ordinary	Industrial				
Father, Richard Baker	51		A		Whole life	8	\$5,000	\$116.90
			D		20-payment life	9	1,000	32.18
			A		do	28	1,600	Paid up
Mother, Josephine	50			C	20-year endowment	19	374	22.56
				C	Whole life	27	250	7.36
				C	do	29	178	3.70
				C	do	26	125	3.68
				A	do	10	112	4.00
				A	do	26	198	3.10
				B	do	43	199	1.30
				B	do	0	380	26.00
				B	do	12	55	2.10
Daughter, Helen	26	A			Term	7	1,000	(?)
			A		30-payment life	3	1,000	20.44
				B	20-year endowment	16	271	10.80
Son, Richard, Jr.	23			C	do	15	100	5.28
			A		30-payment life	3	1,000	19.44
				B	20-year endowment	12	98	4.20
Son, Albert	18			A	do	9	90	4.30
				A	do	9	90	4.30
				C	do	15	100	4.50
				B	do	12	106	4.20
				A	do	14	200	8.00
				A	do	17	100	3.70
Son, William	16			C	20-payment life	2	249	7.80
			B		Endowment at 85	5	1,000	10.43
				B	20-year endowment	15	108	4.10
				A	do	11	50	2.00
				C	do	14	50	2.40
Son, Henry	14			C	do	5	92	4.80
			A		30-payment life	3	1,000	19.68
				B	15-year endowment	14	186	10.25
Daughter, Katherine	11			A	20-year endowment	11	50	2.00
				A	Endowment at 60	2	652	13.00
Daughter, Gwendolyn	9			A	20-year endowment	11	255	10.00
				B	15-year endowment	8	167	10.75
				A	20-year endowment	2	100	5.20
				C	Combination endowment and whole life	9	100	4.32
Son, Edward	7			B	15-year endowment	3	130	13.00
				C	20-year endowment	4	100	4.80
				C	do	7	250	12.00
				C	do	0	100	5.20
				C	do	1	150	7.80
Total, 10 family members, all insured.		43 policies (including 1 group certificate, 7 ordinary, and 35 industrial).					17,415	461.87

<sup>1</sup> This policy was for \$1,000 face value, but \$400 was borrowed on it. Family pays interest annually.

<sup>2</sup> Noncontributory; premiums paid by employer.

Total family income, \$4,224.

Average annual income per family member, \$422.

Premiums as percent of income, 10.9 percent.

Percent of premiums on chief breadwinner, 32 percent; on other breadwinners, 16 percent.

Four insurance companies issued these policies; one issued 5 ordinary, 11 industrial, 1 group; the second issued 1 ordinary, 10 industrial; the third issued 1 ordinary; and the fourth issued 14 industrial.

### The Asta Family

Relief Family of 11 Persons, All Insured—Mixture of Industrial and Ordinary Policies in Force in 2 Different Companies—16.4 Percent of Family Income Paid as Premiums.

Juan, the father, and Maria, the mother, were born in Portugal, but the 9 children, ranging in age from 4 to 23, were all born in the United States. Mr. Asta was 54 and unable to work, and his wife was the housekeeper for the large family. The oldest son, the "chief breadwinner," was working for the Work Projects Administration, the second son was receiving aid from the National Youth Administration, and the third son worked as a laborer to receive city welfare assistance. The whole family was living "on relief." In addition to what was paid the sons in cash, the family received food, milk, and clothing to a value of approximately \$280. The total family income was \$1,248 for the year, and averaged for the 11 family members, \$113. This family paid \$204.89 in life-insurance premiums. These premium payments represented 16.4 percent of their total annual income.

The family carried insurance with two companies and held both ordinary and industrial policies. They had held other policies which had been lapsed or cash-surrendered, but their holdings at the time of enumeration were as follows:

*The Asta family and their insurance in force Sept. 19, 1939*

Family member	Present age	Class and plan of insurance	Years in force	Amount of insurance	Annual premiums paid by family
Father, Juan Asta.....	54	Ordinary whole life.....	10	\$1,000	\$29.16
		Industrial 20-year endowment.....	2	124	10.40
Mother, Maria.....	48	Ordinary whole life.....	11	1,000	22.21
Son, Juan, Jr.....	23	do.....	6	1,000	12.71
		Industrial 20-payment life.....	1	500	17.68
Son, Manuel.....	21	do.....	1	266	8.84
		do.....	1	266	8.84
Son, Ricardo.....	19	do.....	1	267	8.32
		do.....	1	267	8.32
Daughter, Beatrice.....	16	Ordinary, endowment at 85.....	5	981	11.03
Son, Robert.....	14	do.....	2	1,000	14.68
Son, Albert.....	11	Industrial 20-year endowment.....	10	105	4.30
Daughter, Mary.....	9	Industrial whole life.....	4	369	4.60
Son, Michael.....	5	Industrial 20-year endowment.....	5	250	10.75
		Industrial whole life.....	5	287	4.60
		Industrial 15-year endowment.....	5	118	11.50
Son, Joseph.....	4	Industrial 20-year endowment.....	3	100	5.20
		Industrial whole life.....	3	102	2.35
		Industrial 15-year endowment.....	3	65	9.40
Total, 11 family members, all insured.....	-----	19 policies (5 ordinary and 14 industrial).	-----	8,067	204.89

Total family income, \$1,248.

Average annual income per family member, \$113.

Premiums as percent of income, 16.4 percent.

Two insurance companies issued these policies; one issued three ordinary and six industrial; the other, two ordinary and eight industrial.

Percent of premiums paid on chief breadwinner, 15 percent; on other breadwinner, 8 percent.

Just what the plan of insurance in this family might be is difficult to determine. It has no apparent relationship to age, sex, or dependency status. No more light is shed by an examination of the policies issued by the two insurance companies. One company had issued three whole-life ordinary policies, four 20-payment life industrial policies, and two 20-year endowment industrial policies. The other company had issued two ordinary whole-life policies, one 20-payment life industrial policy, two 20-year endowment industrial policies, two 15-year endowment industrial policies, and three whole-life industrial policies. The periods during which these policies were taken out were the same for both companies.

The Asta family had paid all premiums to date at the time of enumeration. In 1936, however, they had borrowed \$19.22 on one ordinary whole-life policy 2 weeks before taking out another whole-life ordinary policy for \$1,000. This loan had not been repaid. And yet the family subsequent to the loan took out—in addition to the whole-life ordinary policy just mentioned—six more industrial policies, two of which were with the company which had made the loan.

### The Blank Family

Relief Family—Paying 6.5 Percent of its Income for Insurance—In Spite of Lapsation History New Policies Issued at Time of Dividend Payments with Resulting Lapse as Soon as Dividend Credits Exhausted.

The Blank family lived in a dilapidated house in the industrial section of Cambridge. The family consisted of the father, mother, mother-in-law, and 10 children ranging from 8 months to 21 years of age. The father had been on the Work Projects Administration for several years. Before getting on the Work Projects Administration he had been on the welfare rolls for a period of 2 years. Prior to that he had worked for 10 years as a laborer in a paper-stock plant where his wages had never exceeded \$18 a week. During the past 12 months Mr. Blank had received \$13.75 weekly from the Work Projects Administration—a total of \$715 for the year. However, a few days before the supervisor called on the Blanks, Mr. Blank had been laid off the Work Projects Administration as a result of the 30-day furloughs compulsory for those who had been on the Work Projects Administration for 18 months or more. loq

During the last 12 months, contributions toward the rent plus income in the form of food and clothes issued on a surplus commodity card were estimated at \$280. None of the children except one of the girls had been successful in obtaining work. Mary, aged 16, had worked for 2 weeks in a shoe factory and had earned a total of \$22. (The whereabouts of the eldest, Richard, aged 21, was unknown.) Thus the total annual family income for the period under consideration

amounted to \$1,017, and the average annual income per family member living at home was about \$85.

The present insurance in force in the Blank family is shown on the following schedule. There were eight policies on which premiums totalling \$66.55 annually were being paid. In addition Mrs. Blank's mother, aged 77, held a policy for \$114 which was "paid up" and Mr. Blank had a policy for \$12 which had arisen as the result of the nonforfeiture provision of a policy on which he had ceased paying premiums.

*The Blank family and their industrial insurance policies in force Aug. 11, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, John Blank .....	41	Whole life.....	3	\$300	\$13.00
.....		do.....	5	12	(1)
Mother, Mary .....	40	do.....	2	180	7.80
Mother-in-law .....	77	do.....	13	114	(1)
.....		Endowment at 80.....	16	216	20.00
Son, Richard (not living at home).....	21	Whole life.....	3	375	7.80
Daughter, Mary .....	16	No insurance .....			
Daughter, Betty .....	14	do.....			
Son, James .....	13	do.....			
Son, Harry .....	11	Whole life.....	2	334	5.20
Daughter, Helen .....	9	No insurance .....			
Daughter, Agnes .....	7	do.....			
Daughter, Barbara .....	6	Whole life.....	1	260	5.20
Son, Bobby .....	4	do.....	3	102	2.35
Daughter, Phyllis .....	(2)	20-payment life.....	0	25	5.20
Total, 13 members, 8 members insured. ....		10 policies .....		1,918	66.55

<sup>1</sup> Paid up.

<sup>2</sup> 8 months.

Total income of family, \$1,017.

Average annual income per family member, \$85.

In addition to above policies, 10 other policies which had lapsed were in the family's possession. (See next schedule.)

Nineteen and six-tenths percent of premiums on breadwinner.

All policies, including lapsed policies, issued by same insurance company.

Premiums as percent of income, 6.5 percent.

The family still had in their possession 10 other policies which had lapsed and were worth nothing as they had not been in force long enough to have acquired any nonforfeiture values. These are shown below. Three of them were endowments, six were 20-payment-life policies, and one was a whole-life policy.



*The Blank family and 10 lapsed industrial insurance policies held Aug. 11, 1939*

Family member	Present age	Plan of insurance	Year issued	Amount of insurance at issue	Annual premium at issue
Father, John Blank.....	41				
Mother, Mary.....	40				
Mother-in-law.....	77				
Son, Richard (not living at home).....	21	20-payment life.....	1932	\$445	\$13.00
Daughter, Mary.....	16	20-year endowment.....	1932	230	13.00
		20-payment life.....	1939	166	5.20
Daughter, Betty.....	14	20-payment life.....	1939	182	5.20
Son, James.....	13	20-year endowment.....	1933	250	13.00
		20-payment life.....	1939	188	5.20
Son, Harry.....	11				
Daughter, Helen.....	9	15-year endowment.....	1930	<sup>1</sup> 175	13.00
		20-payment life.....	1939	200	5.20
Daughter, Agnes.....	7	Whole life.....	1932	<sup>1</sup> 600	7.80
		20-payment life.....	1939	200	5.20
Daughter, Barbara.....	6				
Son, Bobby.....	4				
Daughter, Phyllis.....	(?)				

<sup>1</sup> Benefit payable after 9 years in force.<sup>2</sup> 8 months.

The story of the five policies most recently lapsed is interesting. According to the premium receipt books, photostats of which will be found in the appendix, on January 30, 1939, six 10-cent weekly-premium 20-payment-life policies were issued, exactly 1 week after a \$6 dividend had been recorded. The weekly premium charge was thereby increased from \$1.30 to \$1.90. The latter amount appeared for 3 weeks only, two of which were provided for by the dividend while the third was paid in cash. Thereupon, the weekly total premium dropped to \$1.40, thus discontinuing payment on 5 of the 6 policies taken out three weeks previously. Since these policies were permitted to lapse, this transaction had cost the family very heavily.

An analysis of other premium receipt books revealed that while insurance holdings did not increase with *every* dividend declaration, dividends served as the basis for additional insurance in 1933, 1936, and 1937 as well as 1939. Apparently, dividend date rather than ability to pay went a long way in determining increases in the amount of insurance carried.

It is interesting to record the attitude of this family toward its insurance. They expressed their intention of making every effort to keep their present insurance in force. It was the only thing they had. They admitted that they knew nothing of the intricacies of insurance. However, they had the greatest confidence in their agent and felt that he would take care of them.

### The Jones Family

Relief Family Paying 18.1 Percent of Its Income for Insurance—Multiple Issues of Four Industrial Endowment Policies for \$354 Each at Greater Cost Than for Same Amount of Ordinary Insurance on Same Plan.

The Jones family consisted of a father 33 years old, his wife, 32 years old, and four children ranging in age from 11 to 1 year. Mr. Jones worked as a bookkeeper on the Work Projects Administration, where his annual income was \$852. The family lived in one of the poorer sections of Boston where the rent was cheap. It had not received any commodities from the Surplus Commodities Corporation nor any other form of assistance, so this family of six persons was supported solely by the earnings of Mr. Jones.

The total premiums paid annually by the Jones family were \$154.25. Since the average annual income for each family member was \$142, the amount paid for insurance exceeded the average available to support one family member for a year. Their insurance holdings were as follows:

*The Jones family and their industrial policies in force Sept. 15, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, John Jones.....	33	Endowment at age 60.....	8	\$354	\$10. 75
		.....do.....	8	354	10. 75
		.....do.....	8	354	10. 75
		.....do.....	8	354	10. 75
Mother, Phoebe.....	32	20-year endowment.....	8	420	21. 50
Son, John.....	11	.....do.....	10	250	10. 00
		.....do.....	8	250	10. 75
Daughter, Phoebe.....	9	.....do.....	9	250	10. 75
		.....do.....	8	250	10. 75
Daughter, Helen.....	7	.....do.....	7	500	21. 50
Daughter, Mary.....	1	.....do.....	1	200	26. 00
Total, 6 members, all insured.		11 policies.....		3, 536	154. 25

Total income of family, \$852.

Average annual income per family member, \$142.

Premiums as percent of income, 18.1 percent.

Twenty-eight percent of premiums on breadwinner.

All policies issued by one insurance company.

The Jones family carried 20-year endowments on all the dependents. Short-term endowments are the most expensive plan of insurance, but the Jones family was apparently interested in the savings feature involved in this plan. On each of the four children there was insurance with a total ultimate *face* value of \$500. However, in the case of the youngest child, because of the limitations on juvenile policies the actual insurance in force, as indicated by the schedule of the insurance company, was only \$200.

One of the notable features of this family's insurance was that the agent had sold, and the company had issued, to Mr. Jones on the same day four industrial policies, each providing for an endowment at age

60 of \$354. Mr. Jones was paying annually \$43 on these policies, with a total face value of \$1,416. The insurance company had imposed certain limitations on the issuance of this type of policy: The policies were to be issued with a 25-cent premium only, and the maximum premiums for all policies issued under this plan for the age of Mr. Jones at the time was \$1 a week. In other words, Mr. Jones had to take four policies under this plan of industrial insurance to get the amount of insurance he desired, and he took out the maximum permitted. This same company was, however, issuing at the time an ordinary endowment policy maturing at age 60 for which Mr. Jones was eligible if he was an insurance risk. Under these circumstances if Mr. Jones had been sold this policy and had paid his premiums on a quarterly basis, in 1939 he would have been paying \$44.84 annually for \$2,000 of insurance, instead of paying, as he did, \$43 for \$1,416 of insurance. Or, assuming that Mr. Jones was more interested in the amount of insurance than in the premiums to be paid, a \$1,500 ordinary policy of the same plan issued by the same company would have cost Mr. Jones in 1939, paying his premiums quarterly, \$33.63, a reduction in premium payments of \$9.37 annually, or 22 percent.

Curiously enough, the two older children were insured before either of the parents, and it was about 2½ years after the first policy was issued that Mr. Jones himself took out insurance. Each child was insured at about the age of 1 year, and 20-year endowments for \$500 were carried on each. Only 28 percent of the total annual premiums was paid by this family on the breadwinner.

### **The Lombardi Family**

Relief Family of 7—Every Member Insured—All Policies Issued After Family Went on Relief—8 Out of 11 Policies on Relatively Expensive 20-Payment Life Plan.

This family consisted of a father aged 56, a mother aged 40, and five children ranging in age from 18 to 2 years. Mr. Lombardi was born in Italy, his wife in Lithuania, but all of the children were born in the United States. They lived near North Station in Boston, on the top floor of a tenement facing the elevated railway structure.

The Lombardis had been "on relief" since 1931. With none of the other members of the family able to secure work, this family had been dependent upon relief so long that it was grooved into what might be termed a welfare existence.

This family received all of its clothing and part of its food from the Boston Welfare Department. The family was also allowed \$16 in cash weekly to provide for rent, heat, light, and food. Estimating the value of commodities received during the course of the year at \$135, the family's total annual income amounted to \$967. What this amount meant to the family may be judged from the fact that in the 52 weeks' period preceding the date of enumeration, this family had consumed a total of only 8 pounds of butter which was received via a commodity card. In addition they reported that their milk consumption had to be curtailed when the price to welfare recipients was increased from 2 cents per quart to 5 cents per quart. In spite of the restricted budget upon which this family operated Mr. Lombardi

considered insurance so important that 4.8 percent of total income was spent for that purpose.

The insurance carried and in force is given below. It is important to note that *all* the policies were taken out *after* the family went on welfare. Apparently the insurance was being carried without the knowledge of the authorities, for it is certain that one would not find 8 20-payment life policies out of the total 11 in force if the welfare authorities were aware of the situation. While it seems hardly possible to justify anything but the least expensive whole-life insurance for this family, it should be noted that every single infantile policy is a 20-payment life plan. The insurance on the entire family was handled by one company.

In spite of the circumstances of the family, all premiums were paid to date. To conserve as much as possible, Mr. Lombardi made it a point to pay all premiums at the company's office in order to take advantage of the 10 percent discount on premiums. Mr. Lombardi considered the function of insurance sufficiently important to deprive the family of necessities in order that the insurance on the family might be kept in force and paid to date.

*The Lombardi family and their industrial policies in force Aug. 14, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, Antonio Lombardi.....	56	Whole life.....	6	\$206	\$10.13
Mother, Maria.....	40	20-payment life.....	3	255	10.15
Son, John.....	18	Whole life.....	7	308	3.96
Son, Antonio, Jr.....	16	do.....	4	308	4.23
Daughter, Mary.....	11	20-payment life.....	2	105	2.34
		do.....	3	110	2.12
Son, Paul.....	4	do.....	3	51	2.11
		do.....	2	50	2.34
		do.....	0	62	2.34
Son, Frank.....	2	do.....	1	50	4.68
		do.....	0	38	2.34
Total, 7 members, all insured.	-----	11 policies, all issued after family went on relief.	-----	1,543	46.74

Total income of family, \$967.

Average annual income per family member, \$138.

Premiums as a percent of income, 4.8 percent.

Twenty-two percent of premiums are paid on breadwinner.

All policies issued by one insurance company.

### The Roxby Family

Well-planned Insurance Program in a Negro Relief Family of 12; 39 Percent of Total Premium Paid for Insurance on Breadwinner. Maximum Protection With Savings Bank Life Insurance at Least Cost.

George Roxby was 37 years old; his wife, Mary, was 35. They had 10 children ranging in age from 5 weeks to 14 years. George earned \$16 a week as a chauffeur. His wages were supplemented by the welfare department of Boston with an allowance of food and milk at the

rate of \$290 per year, so that the total income of the Roxby family was computed at \$1,122 per year.

Insurance policies were carried on every member of the family except the two youngest children. These policies were all savings bank life insurance policies and were all written on the least expensive whole life plan. They were all taken out on the same day in 1937. The distribution in amounts shows evidence of intelligence in the program for the family. The father's life was insured for \$1,000, the mother's life for \$500, and \$300 was carried on the life of each of the insured children, and totaled \$3,900. The premiums, all paid on a monthly basis, cost the family \$51.74 a year. Thus the Roxby family paid 4.6 percent of its income for insurance premiums. It should be noted that 39 percent of the total premium was paid for insurance on the life of the only breadwinner.

*The Roxby family and savings-bank life insurance policies in force Sept. 8, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, George Roxby.....	37	Whole life.....	2	\$1,000	\$20.06
Mother, Mary.....	35	do.....	2	500	9.35
Daughter.....	14	do.....	2	300	3.13
Son.....	13	do.....	2	300	3.03
Do.....	11	do.....	2	300	2.92
Daughter.....	9	do.....	2	300	2.92
Son.....	8	do.....	2	300	2.81
Do.....	7	do.....	2	300	2.81
Daughter.....	6	do.....	2	300	2.81
Do.....	4	do.....	2	300	1.91
Do.....	2	No insurance.....			
Son.....	(1)	do.....			
Total, 12 members, 10 members insured.		10 policies.....		3,900	51.74

<sup>1</sup> 5 weeks.

Total income of family, \$1,122.

Average income per family member, \$94.

Premiums as percent of family income, 4.6 percent.

Thirty-nine percent of total premium paid on breadwinner.

All policies issued by the same bank.

### The Jameson Family

Nonrelief Family of Four Members—All Members Insured—Insurance Program Includes: Industrial, Group, and Savings Bank Policies—8.4% of Income Paid for Insurance Premiums

There were four members of the Jameson family: the father, 47 years of age; the mother, 39; and two daughters, 10 and 2 years, respectively. They lived in Watertown where the father was employed by the Hood Rubber Co. at \$28 per week. Life insurance policies were carried on all four members of the family. The amount of insurance in force was distributed as follows:

On the only breadwinner.....	\$2,567
On the mother.....	1,618
On the 1st child.....	500
On the 2nd child.....	150
Total.....	4,835

The various policies held by the family are shown on the accompanying table. Examination of the individual policies revealed an interesting history with respect to the dates on which the various kinds of policies were issued. The first policy issued was a 20-year endowment savings-bank life insurance policy for \$1,000 taken out on the life of Mrs. Jameson in 1925. Exactly 8 days later four industrial policies were issued: two 20-payment life policies, each for \$250 on Mr. Jameson; and two 20-payment life policies for the similar amounts on the life of Mrs. Jameson. Three weeks later in the same year, another \$1,000 savings-bank life insurance 20-year endowment policy was issued on the life of Mr. Jameson. Some 2 years later both Mr. and Mrs. Jameson took out additional insurance, but this was in the form of industrial policies with premiums of 5 cents each week. Shortly after each of their children was born, industrial policies were taken out on their lives in the same company.

It is a little hard to understand this mixture of industrial and savings-bank life insurance—particularly how Mr. Jameson was persuaded to pay \$23.92 a year for \$500 of industrial insurance almost on the same day that he found out he could get twice as much savings-bank life insurance (and that on the endowment plan) for only \$22.48. In answer to the enumerator's questions it was indicated that the family preferred to pay their premiums by the week. This may account for the fact that in spite of their knowledge of the lower cost of savings-bank life insurance only 2 of their 12 policies were of this type.

*The Jameson family and their insurance policies in force, Sept. 19, 1939*

Family member	Present age	Plan of insurance	Years in force	Amount of insurance	Annual premium paid by family
Father, William Jameson.....	47	20-payment life.....	14	\$250	\$9.20
		do.....	14	250	9.20
		20-year endowment (savings-bank life insurance).	14	1,000	17.36
		Whole life.....	12	67	2.00
		Term (group).....	3	1,000	18.20
Mother, Hannah.....	39	20-year endowment (savings-bank life insurance).	14	1,000	15.09
		20-payment life.....	14	264	7.60
		do.....	14	264	7.60
		Whole life.....	12	90	2.00
Daughter, Mary.....	10	20-year endowment.....	10	250	10.00
		do.....	9	250	10.75
Daughter, Jane.....	2	do.....	1	150	13.00
Total, 4 family members, all insured.		12 policies.....		4,835	122.00

Total family income, \$1,456.

Average annual income per family member, \$364.

Premiums as a percent of income, 8.4 percent.

Nine industrial policies issued by one company.

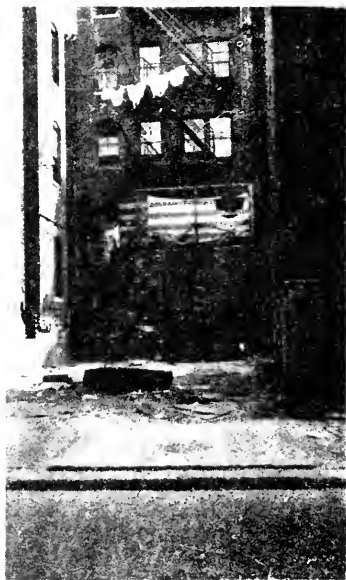
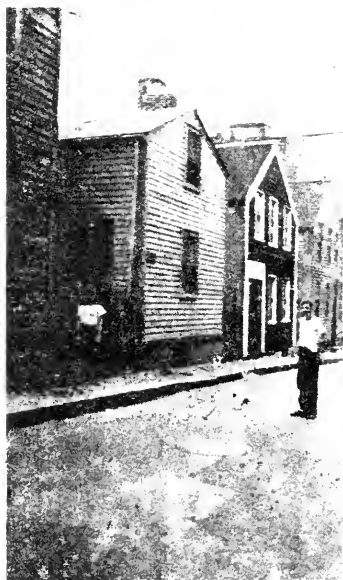
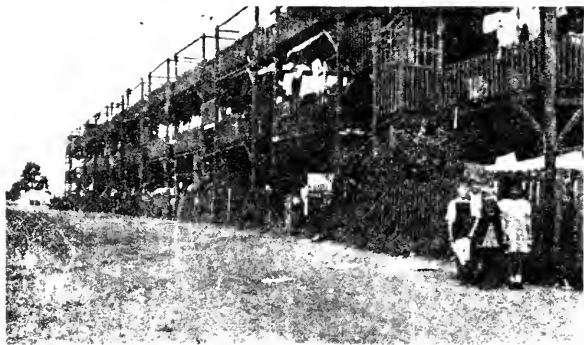
Two savings bank life insurance policies issued by one bank.

Group certificate issued by a different company.

45.9 percent of premiums paid on breadwinner.



TYPICAL HOUSING CONDITIONS IN BLOCKS SURVEYED



TYPICAL HOUSING CONDITIONS IN BLOCKS SURVEYED



## CHAPTER VII

### Summary and Conclusions

Life insurance should be sold and purchased in terms of the needs and income of the particular family. The insurance requirements of the individual must be viewed in the light of his place in the family. The extent to which he contributes to the support of the family, the degree to which the family is able to set aside a portion of its income for insurance premiums, the age of its members, and many other similar factors must be taken into account in determining a family's insurance program. These considerations apply regardless of the type of policy or class of insurance involved and are particularly applicable to the low-income families where margins between income and the amount required to purchase necessities are slim and in many cases nonexistent. It was for this reason that this report has presented its findings in terms of the family group rather than the individual.

In appraising the findings, therefore, one must keep in mind the characteristics of the typical family group whose insurance holdings are reported. The families are low-income families. Of the 1,666 insured families, 1,360 received less than \$600 a year per family member and as many as 38 percent received less than \$300 a year per family member. Furthermore, a quarter of the families were receiving some form of public assistance. The size of the family groups and the occupations and nationalities of their members are varied. It may be said that these families are typical of the mass of people living in the congested industrial communities of this country. Persons in this class have few luxuries and indeed their standard of living is so low that they are often actually in need.

It is evident that among families in the densely populated industrial areas like those covered in the survey life insurance is purchased more generally than had previously been supposed. The amount of insurance in force in these families demonstrates their great desire for security. This is borne out by the facts that 92 percent of all families interviewed were either carrying insurance at the time or had done so in the past; there were over 10,000 policies in force in the 1,666 insured families which represented 78 percent of all families interviewed; and in insured families as many as 83 out of every 100 persons were insured for an average of \$683 of insurance each. The average insured family spent 4.9 percent of its income for insurance premiums, with amounts spent ranging as high as 24 percent of income in the case of some families. Policyholders were found to be of both sexes, every age, every occupation, and to bear every conceivable relation to the family group. The extent to which children were insured and insurance carried on persons not living in the immediate family gave indication of the widespread use of life insurance among these low-income families.

Further evidence with respect to the social and economic importance of life insurance was produced in the statistics which showed that life

insurance is the principal and in many instances the only means of savings for these low-income families. Of all the families interviewed as many as 66.1 percent used life insurance as the sole means of accumulating their savings.

It was found that industrial insurance is by far the most important form of insurance sold to the type of family covered by this survey. Measured in terms of the number of insured persons there were 79.41 percent who carried industrial insurance. In terms of the number of families insured over 85 percent carried industrial insurance. Seven hundred and one families carried no other form of insurance except industrial insurance. Of all the life insurance in force four out of every five policies were industrial policies and such policies accounted for 49.6 percent of the total amount of insurance in force. Sixty-four percent of the amount paid in premiums was paid as premiums on industrial policies.

Life-insurance companies have a great social responsibility to provide their services as efficiently and equitably as possible. In addition there is a responsibility which rests particularly upon companies writing industrial insurance. In view of the great reliance of the low income families upon this type of insurance, companies selling industrial insurance have an obligation to see that these families are sold the kinds and amounts of protection best suited to their needs. In this type of family the amount which can be set aside for premiums is small and the great need of this group for better housing conditions, more food, better clothing and greater opportunities for education must be recognized. In this type of family, income is unusually subject to fluctuations and if too large a percentage of the family income has been allocated to insurance premiums, the result is likely to be lapse and loss of protection. This survey suggests that the industrial companies have fallen far short of achieving the ideal. In brief, a situation is disclosed which demonstrates as far as these 2,132 families are concerned that there is an overloading of policies in many families, that frequently a higher percentage of the family income is being spent for insurance, that insurance coverage among the family members is unevenly distributed, that expensive forms of endowment and limited payment policies have been placed in families when the needs of the policyholders could often be served better with a less expensive type of policy and that as a result of this unsound distribution and the changing economic circumstances of the policyholders there is much lapsing of policies. The situation is made particularly acute by the fact that these tendencies appear more prevalent the lower the economic status of the family.

The high percentage which premiums bear to the total incomes of these families reveals other abuses prevalent in the distribution system. That low-income families, where the average per family member income is in the neighborhood of \$300, should be spending as much as 24 percent of that income for insurance premiums, is inexcusable and it is startling to realize that 9.59 percent of the nonrelief families and 8.67 percent of the relief families spent 10 percent or more of their income upon insurance premiums.

An examination of the insurance programs of the 1,666 insured families disclosed but very few cases which from the point of view of plan of policies, relative cost and distribution of coverage among

various members of the family group were entirely satisfactory.<sup>1</sup> This is not to say that other cases do not exist within this group which are free of unfavorable criticism from the point of view of a planned program. Occasionally the lack of insurability of certain members, religious considerations, or an unwillingness on the part of the policyholder proper to follow recommendations which possibly were received from his agent may have had some bearing and these facts cannot be weighed on the basis of the statistical information. The lack of adequate planning may be partially accounted for by the fact that 21.3 percent of the families are serviced by industrial agents representing two or more companies; that 84 families carried more than 15 policies each at the same time, with numbers ranging as high as 43 policies in the case of one family; and that insurance is sold in a great variety of different combinations both as to classes and plans. The failure of the distributing system to give proper service to the insured is clearly demonstrated in the many families where the breadwinner was inadequately insured. The breadwinner who earns the principal income of the family is the person whose loss will be most keenly felt by the family. It is against the loss of this individual's income that the family's insurance program should be chiefly directed. In view of these considerations it was startling to find that in the insured families 11.58 percent of the chief breadwinners and 20.21 percent of the "other breadwinners" were not insured at all, and that from among 1,071 families which carried industrial insurance there were 730 cases where the percentage of premiums paid by the family for insurance on the life of the chief breadwinner was less than 50 percent of the total. Such a tremendous preponderance of mal-adjusted cases was found that there can be no doubt that the distributing mechanism for industrial insurance is defective. The over-emphasis upon endowment and limited-payment policies, particularly on the lives of children, the failure adequately to insure breadwinners, the great number of lapsed policies found in many insured families numbering as high as 35 policies in the case of one family interviewed, and the sale of insurance to families on relief bear witness to the weaknesses in the system as it now exists. The matter is made far more serious by the ever-changing economic circumstances of low-income families and the apparent absence of any techniques for satisfactorily readjusting insurance programs in the light of these changing circumstances.

<sup>1</sup> It will serve no useful purpose to reexamine here startling case histories presented in the body of the report. The following summary will serve to recall these cases to mind:

Case No.—	Average annual income per family member	Number of policies	Percent of income paid for premiums	Percent of premium on chief breadwinner
1.....	\$101	5	5.7	50.0
2.....	264	13	12.5	48.0
3.....	312	23	5.4	0
4.....	425	13	5.8	21.0
5.....	422	43	10.9	33.0
6.....	113	19	16.4	15.0
7.....	85	10	6.5	19.6
8.....	142	11	18.1	28.0
9.....	138	11	4.8	22.0
10.....	94	10	4.6	39.0
11.....	364	12	8.4	45.9

The above observations are based solely upon a review of the statistical information obtained through the field survey. No final conclusions will be offered until the publication of an over-all report on the entire life insurance study. The report, which is to be released later, will relate the material made available by the survey with other facts developed in the course of the hearings before the committee, including the testimony concerning lapse and agency practices.

SCHEDULE NO. \_\_\_\_\_ DATE OF INTERVIEW \_\_\_\_\_  
 CITY \_\_\_\_\_ NAME OF INTERVIEWER \_\_\_\_\_  
 STREET and NO. \_\_\_\_\_ FIELD SUPERVISOR \_\_\_\_\_  
 CONDUCTED BY \_\_\_\_\_ CHECKER \_\_\_\_\_  
 PUNCHED BY \_\_\_\_\_

UNITED STATES OF AMERICA  
 SURVEY OF LIFE INSURANCE HOLDINGS  
 THE SECURITIES AND EXCHANGE COMMISSION  
 WITH THE COOPERATION OF THE VARIOUS FEDERAL AGENCIES

JUNE TO SEPTEMBER, 1939

(Confidential)

# APPENDIX I

## Reproduction of Schedule Employed in Survey

I. FAMILY COMPOSITION AND OCCUPATIONS																			
A MEMBERS OF FAMILY (Names)	B PERSON INTERVIEWED	C RELATIONSHIP	D SEX 1 2 3 4 5 6 7 8 9 10 11 12 13 14	E SEX		F MARRIAGE STATUS		G ETHNIC CL.		H AGE		I COUNTRY OF BIRTH	J EMPLOYMENT STATUS		K OCCUPATION		L ON JACK SON'S SOCIAL SECURITY CARD		
				1	2	1	2	1	2	1	2		1	2	1	2		1	2
				1	2	1	2	1	2	1	2		1	2	1	2		1	2
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13.																			
14.																			

## II. INSURANCE POLICY DATA

Classify all policies as to industrial, fraternal, group, and ordinary. Enter data in this order. Leave a space between each class of policies. Use additional sheet if necessary.

A MEMBERS OF FAMILY (Numbers as to I-A)	B NAME OF COMPANY	C CLASS OF INSURANCE		D POLICY NUMBER	E DATE OF ISSUE ON POLICY	F AGE AT ISSUE	G PLAN OF INSURANCE														H DIVIDENDS	I FACE AMOUNT OF POLICY AT DEATH	J CURRENT PREMIUM PAYMENTS				K POLICIES ON WHICH PREMIUMS ARE IN ARREARS 4 WEEKS OR MORE		L LIEN OR LOAN																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
		LIFE	ACCIDENTAL				1	2	3	4	5	6	7	8	9	10	11	12	13	14			15	16	17	18	19	20		21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000



**APPENDIX 2**  
**Illustration of Letter Sent Families to be Enumerated**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON**

Field Survey Office  
Harvard Law School  
Cambridge, Mass.

Dear

The block in which you live has been selected as one which has families representative of the people of Massachusetts.

Within a few days an employee of the United States Government will call at your home. He will present his credentials and will explain to you the nature of the study we are making and why we need your help in obtaining the information for which he will ask you.

We hope it will be convenient for you to see our representative and we shall appreciate your cooperation in answering his questions.

Very truly yours,

---

Anne Page, Director  
Field Survey



## APPENDIX 3

### Copy of Credentials Carried by Enumerators

#### COPY OF CREDENTIALS CARRIED BY ENUMERATORS

UNITED STATES OF AMERICA  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C.

This is to identify \_\_\_\_\_  
and to certify that he is duly authorized to call upon  
families in order to obtain answers to questions con-  
tained in the official insurance questionnaire of the  
Securities and Exchange Commission.



BY \_\_\_\_\_  
Secretary, Securities and Exchange Commission  
DATE \_\_\_\_\_

OATH GOVERNING CONFIDENTIAL  
TREATMENT OF INFORMATION

I \_\_\_\_\_  
hereby swear and affirm that I will  
not reveal any or all of the infor-  
mation obtained by questionnaire to  
any unauthorized person or persons

Paste  
Photograph of  
Interviewer  
here

This Identification card is No. \_\_\_\_\_. It  
expires September 15, 1939 and must be  
returned to the office on or before that  
date.

## APPENDIX 4

### Instructions for Enumerators Engaged in the Survey of Life Insurance Policyholders

*Nature and purpose of the survey.*—This survey is being conducted by the Securities and Exchange Commission with the assistance of the Work Projects Administration of the United States Government. It is part of the Government's investigation of the life-insurance business, the results of which will be presented to a committee of the Congress of the United States. The purpose of this survey is to obtain specific facts relating to the holders of life-insurance policies. It is desired to ascertain in selected areas the number of persons who are insured and the proportion of their income which is used to pay premiums on their policies.

*Method.*—The facts desired are to be obtained by enumerators who will call upon each of the families living within the areas selected. Enumerators will be furnished with sets of schedules upon which they will enter the answers to specific questions.

Enumerators and clerks will be sworn to handle the information obtained in a confidential manner and not to reveal to any unauthorized person facts relating to the survey. Enumerators must not give advice to persons interviewed on the wisdom or adequacy of their insurance holdings. If advice is sought the questioner should be referred to the State Insurance Commissioner, Hon. C. F. J. Harrington, Boston, Mass.

It must be made clear that this survey is solely for the purpose of determining the facts relating to the holders of life insurance. It is not an attack upon the life-insurance business nor is there any criticism intended of the policies or practices of any insurance company. The enumerators must not convey the impression that either they, or those conducting the survey, look with disapproval on any company or on any kind of insurance or on any amount of insurance held by individuals.

*The schedules.*—The name of the enumerator and the date of the first call should be written in the spaces on the upper right-hand corner of the first page of the schedule. Leave the other lines blank. On the upper-left corner, insert the schedule number in accordance with the directions given by your supervisor. Enter the name of the city in which the survey is being made on the lines below. The apartment or room number should be entered with the street and number address.

#### I. FAMILY COMPOSITION AND OCCUPATIONS

*A. Members of family.*—All following persons are to be listed as members of one family:

1. Persons occupying dwelling: The principal criterion of membership in the family group is the manner of allocation of the earnings of the persons living within a dwelling unit. A dwelling unit may be a whole house, part of a house, an apartment, or any single room or group of rooms occupied by a person or a family as a place of abode. It will usually be closed off from any other family's place of abode.

All related persons who occupy a dwelling unit and whose earnings are pooled to form the "family income", are to be included, together with their children, as members of the family. A man and wife and their dependent children, or either parent with one or more such children, and under some circumstances, married children and other relatives are to be considered members of a family group. Wage-earning persons other than lodgers who might otherwise be included in this group but contribute only a part of their earnings to the family pool, should nevertheless be considered members of the group, and their total earnings included in the family income. Persons who are not related to other occupants of the dwelling unit but who pool their earnings with the income of the others are to be considered members of the family.

2. Persons not occupying dwelling: There are some cases where persons who do not occupy the dwelling unit should be included as members of the family.

This will be the case, for instance, where some relative or friend contributes regular periodic sums of money to the family income pool, and where premiums on insurance on such person's life are paid out of the family income. An example of such person would be a divorced husband who sends alimony in regularly, and where the ex-wife pays the premiums on his insurance. Persons not occupying the dwelling unit and not contributing to family income are also to be included as members of the family if they are being supported out of the family income or if premiums on their insurance are being paid therefrom.<sup>1</sup> Thus a divorced wife who received alimony is a member of a husband's family for the purpose of this survey if he pays for her insurance. Also, any other person should be included if premiums on his or her insurance are paid by the family.

3. Lone persons, lodgers, servants, etc.: Lone persons who are either the sole occupants of separate dwelling units or who occupy dwelling units with persons not related and with whom earnings are not pooled, constitute separate families. Servants who live in the dwelling units are to be considered lone persons. Lodgers living within a family unit, whether related to the family or not, are to be considered separate families if they pay for their board and lodging at regular rates.

*Entries under A.*—"Members of family" should be made by listing the names of the members of the family. A separate schedule is to be used for each family, even if there is only one person in the "family." The first name entered should be that of the person who appears to be the head of the family group occupying a dwelling unit. This should be the husband whenever there is one. Thereafter the names of his wife and the unmarried children should be listed in order of their ages. If there are married children living with the family and as "members of the family" as herein defined, their names, followed by the names of their spouses and children, should be listed immediately after the name of youngest unmarried child of Head Number 1.

*B. The persons interviewed* are to be indicated by inserting a circle opposite the name.

*C. Relationship.*—The entries here are to show the relationship of each member to the "head" of the family. However, a married son or other male relative is to be designated as "Head (2)." The husband of a married daughter or other female relative would also be denominated "Head (3)." An example of the manner of entering the names and relationships follows:

Members of family	Relationship
(1)	(2)
1. John Jones .....	Head (1).
2. Mary Jones .....	Wife of No. 1.
3. Wm. Jones .....	Son of No. 1.
4. James Jones .....	Head (2), brother of No. 1.
5. Sarah Jones .....	Wife of No. 4.
6. Mrs. Smith .....	Mother-in-law of No. 4.

This means that John Jones (head (1) ) is one "head" of the family occupying the dwelling unit. His wife and son are also in the family. In addition, his brother James and James' mother-in-law are members of the family, as herein defined.

*D. Not living in this dwelling.*—Place a circle opposite the names of persons listed in column A, as members of the family who do not live in the dwelling unit. For instance, if the family "head's" mother-in-law lives elsewhere, but the family pays the premiums on her insurance, there should be a circle in column D after her name.

*E. Sex.*—Sex is to be designated by inserting a circle in the appropriate column opposite the name of each member of the family.

*F. Marital status.*—The column headed "S" indicates single. "M" indicates married and living with husband or wife. "Wid. or Sept." indicates widowed, divorced, or separated from husband or wife. A circle should be inserted in the appropriate column to indicate the status of each member of the family.

*G. Ethnological classification.*—"W" stands for white or Caucasian. "N" for Negro; "Oth" for any color or race other than white or Negro. If the person is a child of one white and one Negro parent, write in the word "mixed" in column "G." Before entering "Oth" be sure that it represents a separate racial group rather than merely a distinction of national origin. Chinese, American Indians,

<sup>1</sup> Note, however, that only persons contributing to the family income will be listed in the section dealing with family income.

Filipinos, East Indians, etc., are to be considered members of separate racial groups, but not Russians, Italians, Scandinavians, etc.

*H. Age last birthday.*—Enter the age attained at the last birthday as reported by the person interviewed, in column 1 for every member of the family. Leave column 2 blank.

*I. Country of birth.*—If the person was born in the United States, enter a circle in the column headed "U. S. A." If the person was born in a foreign country, enter the name of the country of birth as reported by the person interviewed.

*J. Employment status.*—The code used for recording the employment status of each member of the family is as follows:

"Gainful. Emp.": This means "gainfully employed." It includes any person regardless of age or sex in regular and continuing employment, even though working only part time. A person who regularly does some work on Saturdays, for instance, would be gainfully employed. A person who has been laid off from a regular job because of factory repairs or slackness, or is not working because of a strike, should be deemed gainfully employed if his idleness has continued for less than 30 days.

"WPA etc.": This heading includes persons receiving WPA wages at the time of the interview, or who are engaged in some other similar governmental relief work. For instance, persons who are working in CCC camps or under the auspices of the National Youth Administration (NYA) are included under this heading. Do not include persons who are employed in these organizations in nonrelief administrative capacities.

"Non. Pd. Emp.": This includes "nonpaid family workers," such as those who are voluntarily doing work for which people are usually paid. For instance, a person who works in his or her father's store and does not receive any regular wages comes under this heading.

"Temp. Emp.": Under this heading include persons who are temporarily employed, but do not expect the job to continue for more than 1 month.

"Seeking Emp.": This heading represents those who are "seeking employment." Any person who is now out of a job and is seeking one comes in this category whether he or she has ever been employed before or not. Also, include persons who have been out of work because of a strike or seasonal lay-off for 30 days or more.

"Non-Worker": This heading covers persons who are not working and are not seeking remunerative work. For instance, it would include retired persons, housewives, and minor children.

Enter a circle in the applicable column for each member of the family.

*K. Occupation.*—Under column 1—"Kind of Work"—enter the particular job on which the member of the family works. For instance, do not enter simply "Factory Worker," but note whether or not the person is a mechanic, an engineer, etc.

Under column 2—"Name of Employer"—enter the name of the company or person for whom the member of the family works. If he is in business for himself, enter "Self."

*L. Social security or railroad retirement number.*—If the member of the family has a social security number, or comes under the coverage of the Railroad Pension Act, enter a circle in the column headed "Yes." Answer "Yes" for people who are no longer making contributions to social security as well as those who are still doing so. If the person is not now in an employment covered by Social Security and has never been in one, and is not a railroad employee, enter a circle in the column headed "No."

## II. INSURANCE POLICY DATA

*A. Members of the family.*—Insert in this column the numbers identifying each person in the "family" on whom there is an insurance policy. There may be several policies on the life of each person, and *every policy is to be listed on a separate line*. Be sure to enter data on "lapsed" and "paid-up" policies as well as on those in force on which premiums are still being paid. However, do not make any entries with respect to policies on which premiums are in arrears, if the actual policies are not available for examination. The existence of such policies will be noted in the answer to Supplementary Question No. 1 on the last page of the schedule.

*B. Name of company.*—In entering the name of the company, abbreviations may be used, but be certain that they can be understood. For instance, if the first name of the company is "Home," be sure to add enough of the rest of the name so that we can tell whether it is the Home Life Insurance Co. of New York, the Home Life Insurance Co. of America, or the Home Beneficial Insurance Co.

etc. There are also at least three "Equitable" companies. Frequently the state in which the company is organized should be included. The only ones which can safely be abbreviated are the Metropolitan Life Insurance Co. (Met), The Prudential Insurance Co. of America (Pru), and the John Hancock Mutual Life Insurance Co. (J. H.). If the policy is a Savings Bank Life Insurance policy, be sure to write the name of the savings bank.

The only types of insurance which are to be considered in this study are life, personal accident, health, sickness, and hospitalization insurance. Do not include data on fire, burglary, automobile liability, or other types of casualty insurance.

In order to record the information required in this part of the schedule, it will be essential for the interviewer to examine the actual policies and the premium receipt books. In most cases, the people interviewed will not have a clear idea of the types of policies upon which they are paying premiums. In addition, they are not likely to know the exact names of the companies which issued the policies or the date of issue, age at issue, etc. In some cases the premium receipt books may contain sufficient information for the schedule to be partially filled out from them. The value of any schedule which is filled out without a direct examination of the policies will be questionable.

If the policies seem to be hidden in some family cache, offer to step outside until they are obtained. Do not watch while they are being brought out; you do not want to know their hiding place.

Separate all the family policies so that data on all the policies of one person can be entered. Then leave a line blank and continue with the policies of the next person. Start with the person designated as "Head (1)," and make the entries for the rest of the family as far as possible in the same order in which they are listed on the first page.

*C. Class of Insurance.*—Enter a circle in the column headed by the word that describes the *class of insurance* into which the policy falls. The "Life" policies are those in which the principal feature is a promise to pay at death, or on maturity, if an endowment. Ask if there is any insurance of each class, so that data on forgotten policies may be obtained. The following descriptions should assist in determining which classification is the proper one in each case:

1. Industrial Insurance: This is life insurance written on a "legal reserve" basis, in which the policies are less than \$1,000 in face amount and the premiums are collected weekly or monthly by agents who call at the homes of the persons insured. There may be some slight variations from this definition, but it is correct for substantially all of the business. Industrial policies are usually marked "Industrial" somewhere on the policies.

2. Ordinary Life Insurance: This type of life insurance is paid for by sending a fixed premium to the company either annually, semiannually, quarterly, or monthly. Be careful to distinguish it from industrial, group, or fraternal, described elsewhere.

3. Fraternal Life Insurance: This is insurance issued by fraternities, lodges, orders, etc. The policies are similar to the ordinary policies, and are distinguished principally by the name of the issuing institution. Examples are the Lutheran Brotherhood, the Ladies' Catholic Benefit Association, the Locomotive Engineers Mutual Life and Accident Insurance Association, etc.

Labor unions often carry insurance for their members on a mutual benefit plan, and the premiums are paid as part of the union dues. It should be noted that this is mutual benefit insurance. Ascertain what part of the dues is used as premium payments.

4. Group Life Insurance: This is the type of insurance which covers everybody within the group named in the policy. For instance, employers frequently take it out for the benefit of all the employees working in the company. Premiums are sometimes paid entirely by the employer. More frequently a deduction is made from each employee's wages every month or week to cover the premium. The enumerator will probably not be able to examine any policy or certificate showing the nature of this insurance, the amount collected out of the wages of the member of the family covered, or the amount of insurance coverage. However, if such a certificate is available, it will, of course, be more satisfactory than any other source of the information. The person interviewed may be able to provide accurate data. If you feel that the answers to your questions are in all probability correct, enter the figures in the line assigned to this policy. If you feel that there is some question of the accuracy of the answers, put a question mark next to the entries.

*D. Policy number.*—The number of the policy usually appears on the first page. On industrial policies it is most likely to be found in the schedule which contains the name of the insured, the name of the beneficiary, etc. Sometimes this schedule is written on the last page, as is the case in most of the policies issued by the Metropolitan. Sometimes the policy number is on the very top of the first page or on the "fold back" of the policy. Be careful that the number which you record as the "policy number" is the number assigned to the specific policy issued to the policyholder, and not the code number of the policy form, the number of a "lost policy certificate," or other misleading number.

*E. Date of issue on policy.*—The date of issue of an industrial policy almost invariably appears in the schedule on the first or last page. On some other policies it will be found at the very top of the first page, and on others it is placed near the bottom of the page in the place where the signatures of the officers appear. Sometimes it appears on the "fold back." There is no "date of issue" for group insurance, so leave these columns blank for this class of insurance.

It is very important to have the correct date of issue. In case it cannot be found on the policy, ask the person interviewed or examine the premium-receipt book, as it may be recorded there.

Enter the month (by number), day, and year in columns 1, 2, and 3, respectively.

*F. Age at issue.*—The age at issue usually is entered on industrial policies in the schedule already mentioned. Some of the companies refer to it as the "insuring age," but the information desired here is the age of the policyholder as recorded on the policy at the date of issue. (On industrial policies it is the age of the policyholder on his *next birthday* after the date of issue; on ordinary policies it is "age nearest birthday.") Leave this column blank for group insurance.

*G. Plan of insurance* refers to whether the insurance is written as a whole life, a 20-year endowment, a 20-payment life policy, etc. The information should be recorded by entering a circle in the column headed according to the following code:

<i>Plan of insurance</i>	<i>Code</i>
1. Insurance payable at death; premiums payable until anniversary of policy after age 74 or until prior death.	W. L. (P. U. 75).
2. Insurance payable at death; premiums payable for 70 years less years of insuring age.	W. L. (P. U. 70).
3. Insurance payable at death; premiums paid until death.	W. L. (Premium until death).
4. Insurance payable as an endowment in 15 years or upon prior death.	15-Yr. End.
5. Insurance payable as an endowment in 20 years or upon prior death.	20-Yr. End.
6. Insurance payable as an endowment in 25 years or upon prior death.	25-Yr. End.
7. Insurance payable as an endowment at age 65 or upon prior death.	End. at 65.
8. Insurance payable as an endowment at age 79 or 80 or upon prior death.	End. at 80.
9. Insurance payable as an endowment at age 85 or upon prior death.	End. at 85.
10. "Cumulative Endowment," insurance payable as endowment between ages 60 and 65, and death benefits increasing during life of policy.	Cum. End.
11. Insurance payable at death; premiums payable for 10 years.	10-Pay. Life.
12. Insurance payable at death; premiums payable for 20 years.	20-Pay. Life.
13. Insurance payable at death; premiums payable for 30 years.	30-Pay. Life.
14. Insurance payable only if death occurs before the expiration of a certain term.	Term.

The plan of insurance is usually noted in small print at the top or bottom of the first page of the policy and on the "fold back." Various expressions are used to designate the different types of policies. For instance, number 1 above is sometimes designated "Whole Life." The enumerator should note carefully any deviations from the true whole life policy which is described in number 3 above. The policies in which the premiums are payable for limited periods such as 10, 15, 20, or 30 years are usually designated "10-Payment Life," "20-Payment Life," etc. The policies which are actually endowments at 80 are occasionally

designated "Whole Life," but the entry should be made in the column headed "End. at 80."

(Attention is called to the fact that some companies use the expression "limited benefit" when they refer to policies issued to colored people. Care should be taken not to confuse this expression with the limited payment feature of some policies.)

Write the titles of unusual types or plans of insurance right across the columns under "Plan of Insurance." All group insurance is term; enter a circle in the column so headed for this class of insurance.

*H. Dividends.*—This column applies to industrial and ordinary life insurance only. A "participating policy" shares in the surplus and savings of the business, while a nonparticipating policy does not do so. The policyholder receives dividends on the former and none on the latter. The small print at the bottom of the first page of the policy, where the plan of insurance is described, usually designates the policy as "participating" or "nonparticipating." Sometimes this information appears only in the body of the policy. A participating policy is also referred to as "participating in annual distribution of surplus," or as "receiving annual dividends."

A participating policy, or one in which there are annual dividends, calls for a circle in column 1. For nonparticipating policies, enter a circle in column 2. All policies issued by the Metropolitan, Prudential, and John Hancock are now participating, even though they are labeled nonparticipating, as some old ones are.

Leave these columns blank for group insurance.

*I. Face amount of the policy payable at death.*—On industrial policies this usually appears in the schedule already referred to. If the insured was an adult at the date of issue, the amount of insurance can probably be determined by a glance at this schedule. If the insured was an infant (either under 15 or 10) or if the policy is a cumulative endowment policy, the amount of insurance will probably appear in a table connected with the schedule. The amount to be entered in column 1 in the case of an infantile policy is the amount payable in case of death on the date of the interview. The following is an example of the type of schedule which appears in infantile policies:

Amount payable if death occurs during policy year as stated below	Age next birthday when policy is issued									
	1	2	3	4	5	6	7	8	9	10
1st year:										
1st 3 months.....	\$10	\$40	\$60	\$80	\$100	\$120	\$140	\$160	\$175	\$171
Last 9 months.....	20	40	60	80	100	120	140	160	"	"
2d year.....	40	60	80	100	120	140	160	180	"	"
3d year.....	60	80	100	120	140	160	180	"	"	"
4th year.....	80	100	120	140	160	180	184	"	"	"
5th year.....	100	120	140	160	180	189	"	"	"	"
6th year.....	120	140	160	180	194	"	"	"	"	"
7th year.....	140	160	180	199	"	"	"	"	"	"
8th year.....	160	180	200	"	"	"	"	"	"	"
9th year.....	180	200	203	"	"	"	"	"	"	"
10th year.....	200	208	"	"	"	"	"	"	"	"
11th year and thereafter.....	212	"	"	"	"	"	"	"	"	"

According to this schedule the "face amount of the policy" in the second year would be \$40 for age 1 at issue, \$60 for age 2 at issue, \$175 for age 9 at issue, and so forth, for each 5 cents of premium. Enter two times these figures for a premium of 10 cents, and so forth.

In the case of a cumulative endowment industrial policy, enter the amount payable in case of death during the present year as the face amount.

The face amount of ordinary or fraternal insurance usually appears on the face of the policy. It is also frequently written on the "fold back." Sometimes proceeds of the policy are to be paid in installments, but a "commuted" value is generally given as a lump sum payable at death. This is the amount to be entered in column 1.

In the case of other classes of insurance, enter the lump sum payable in the event of normal death (not accidental).

In some cases the policies call for a payment of double the face amount of the policy, in the event of accidental death. This double amount should not be recorded as the face amount under any circumstances.

Leave column 2 blank.

**J. (a) CURRENT PREMIUM PAYMENTS.**—If the premium paying period, as stated in the policy, has expired, the policy is in force on a "paid-up" basis, and a circle should be placed in the column headed "Paid-up." For instance, "Twenty payment life" policies become paid-up after premiums have been paid for 20 years. Similarly, policies on which premiums are to be paid until the anniversary of the policy after age 74 become paid-up some time during the year after the insured reaches age 74. Do not enter a circle in this column for policies which are paid-up for a reduced amount under a "nonforfeiture" clause; premium information on such policies is to be entered in the columns under "K" and "L."

If the policy is "paid-up" and a circle appears in the column headed "paid-up," make no additional entries under J or K.

(b) With respect to all policies other than those marked "paid-up" in column A, enter, in the column headed "Each installment," the amount of premium called for on each premium-paying date. This will include the premiums on policies on which premiums are currently being paid and on which premiums are in arrears. For example, if the policy calls for a weekly premium of 5 cents, enter .05 in this column. The weekly or monthly premium on industrial policies will be found in the schedule already described, on the first or last page of the policy. On ordinary or fraternal insurance policies the amount of each installment generally appears on the face and on the "fold back" of the policy. In the case of group life insurance, the premiums are paid by weekly or monthly deductions from the pay check. Ask the person interviewed for this figure in case no certificate is available.

(c) *How Paid.*—Enter a circle in the column headed by the proper word denoting the frequency of premium payments called for by the policy. For example, a policy bearing a premium of 25 cents a week is a "weekly" policy, even if payments are actually made monthly.

(d) *Annual.*—The annual amount of premium called for in the policy is to be recorded here. This will be done in the office.

(e) *Date to which premiums have been paid.*—If the premiums on industrial weekly premium policies were paid at any time during the 4 weeks preceding the interview (or on the day of the interview), and are not paid for any period in advance, enter a circle in the column headed "To date." Similarly, if the premiums on any policies other than industrial have been paid only to the last due date, enter a circle in the "To date" column. If the premiums were paid for some period in advance of their last due date, enter the date to which they were paid. (The best way to find the date to which industrial policies have been paid is to examine the premium receipt book.)

**K. Policies on which premiums are in arrears 4 weeks or more.**—Leave the column headed "Residual value" blank.

If premiums are not currently being paid on a policy (and it is not marked "paid-up" in column J (A), and more than 4 weeks have elapsed since the last due date, enter the date on which the last payment was made. If the last payment was made several years ago, and the premium receipt book does not show the date it will be sufficient to enter the year of last payment.

**L. Lien or loan.**—In the case of industrial insurance, policies are sometimes "revived" after they have lapsed because premiums have fallen into arrears more than 4 weeks. If all past-due premiums are not then paid in cash, the company may stamp a "lien" notice on the policy for the amount of unpaid premiums. If there are any such lien stamps, enter the number of them in the column headed "Number of stamps." In the case of ordinary or fraternal insurance, there may be a loan on the policy. This will be endorsed on the policy in most cases. Enter the amount of the loan in the column headed "Amount of loan." If the amount of the loan is not recorded on the policy, determine how much it is. If there is no loan endorsement on the policy, ask if there is any loan outstanding, and if there is one, how much it is. In the column headed "Date made," enter the year in which the loan was made.

If there is no lien or loan on the policy, draw a line through the spaces in these columns.



## III. SICKNESS, ACCIDENT, HEALTH, HOSPITALIZATION INSURANCE, AND PENSION PLAN

*Members of family.*—Enter in this column the number assigned to each member of the family for whom premiums are being paid on sickness, accident, health, or hospitalization insurance, or who is contributing to a pension plan.

*Sickness.*—This is a type of insurance whose *primary purpose* is to pay a certain amount per day or week during illness. Some of the life policies may contain "disability" benefits, and some of the sickness policies may contain death benefits, but the classification should reflect the primary purpose of the insurance.

Enter in this column the annual amount paid as premium on sickness policies.

*Accident.*—This class of insurance pays benefits in case of accidental injuries. The policies are usually marked "accident policy." Frequently there is a death benefit payable in case of *accidental* death, but this does not class it with "life" insurance.

Enter in this column the annual amount paid as premium on such a policy.

*Health.*—This type of insurance provides benefits in the form of periodic health services, such as physical examinations, clinical ministrations, and other forms of medical assistance. It is usually issued on a group basis within a factory or other institution.

Enter in this column the annual amount paid as premium on such a policy.

*Hospitalization.*—This type of insurance provides part or all of the costs of hospitalization in the case of illness or accidental injuries. An example is the plan of Associated Hospital Service Corporation. It is written to cover entire families as well as single individuals. If the policy covers the entire family, enter the amount of the annual premium paid on this type of insurance on the bottom line opposite "Family as a whole."

*Pension plan.*—Where an individual participates in a pension or retirement plan (other than the old-age provisions of the Social Security Act) and deductions are made from salary or wages by his or her employer, enter the amount of the annual payment made toward the pension. Usually no policy will be available for examination, and reliance will have to be placed on the information supplied by the person interviewed.

Frequently pension plans include benefits payable in case of death of the contributor. The amount is usually dependent upon the total amount of annual contributions which have been made. In the column headed "Amount payable at death," enter the amount payable in case of death on the date of the interview.

## IV. FAMILY INCOME

*A. Members of family.*—In this column enter the numbers opposite the names of each member of the family listed under I-A, who contribute to family income.

*B. Salary and wages nonrelief employment.*—The entries under this heading are intended to be the amounts received for a regular and continuing job, other than relief, held at the time of the interview. Only persons having a circle in part I, column J, denoting employment status, will have any (Gainful Emp.), entries here.

If the wages are paid at a certain rate per week, make the proper entries in column 1. If payment is made by the month, insert the amounts in column 3. If payment is made by the day, obtain an estimate of the weekly income, as accurate as possible. The full amount of salary is to be entered without deduction for social security or pension contributions, despite the fact that the salary actually received probably represents the net amount after this deduction has been made.

In column 6, enter the approximate amount that the person expects to receive during the next 12 months. This may be the same amount as he received during the last 12 months. However, if he has received a raise very recently, his income for the next 12 months will probably be higher than for the last 12 months. Column 6 is to be used as a check on the accuracy of column 5.

*C. WPA wages.*—Enter here the income, if any, received from WPA during the last 12 months.

*D. Cash relief (other than WPA).*—Enter here the cash income received from State and Federal relief agencies, other than WPA, and all other forms of charitable or relief assistance. If the family has received home relief or other assistance which is paid to the family as a whole make the entry on the bottom line which is marked "Family as whole."

*E. Do not make entries in column E.*

*F. Other income during last twelve months.*—(1) Investments: Enter here the amount of cash income received from stock, bonds, mortgages, and other similar securities.

(2) In kind: Enter here the cash value of food, clothing, and other things which are regularly received by the family from any source. For instance, if a charitable or relief agency gives relief in the form of food, enter its value here. If the family lives "rent free" in exchange for janitorial services, for instance, include the rental value of the premises occupied by the family as income "in kind." Similarly, if the family uses food from the shelves of a store run by its members, the value of such food should be included. If it is impossible to obtain an estimate of the value of the material received, make a note of its description, and the estimate will be made in the office.

(3 and 4) Business—Real estate: Some families may be found which receive income from real estate owned by them or rented by them from others. (a) Entire property rented: If the actual net income, which is the amount left after all taxes and maintenance expenses have been paid, is known, enter this amount. If, however, net income so determined is not known, enter 40 percent of the total (gross) rents received as an approximation of the net income. (b) Part of the property occupied by the owner: Should the owner occupy a part of the building rented to others, include 40 percent of the rental value of the owner-occupied dwelling unit in the net income. (c) Income from a tenant or subtenant: The same formula should be applied in the case of a family which lives in a portion of a dwelling (which it owns or which it rents), the remaining portion of which it lets or sublets to others. In calculating the family income, 40 percent of the rental value of the portion occupied by the family should be included in the family income. (d) Income from lodgers or boarders: If the family rents rooms to lodgers, or takes in boarders, ascertain the gross income from this source and deduct the estimated cost of utilities and other expenses paid for by the family and incurred because of the lodgers or boarders. This amount constitutes a part of the family income and should be entered under "Business, other," column 4 under F. (Note: Where boarders or lodgers are taken in, the homemaker should be classified as gainfully employed by herself.) (e) Imputed income from ownership of home: If the family owns the home, and does not rent any portion of the building, ascertain the family's equity in the dwelling (deducting from the total market value the value of any mortgages held on the home). Enter 3 percent of the family's equity in the dwelling as the additional net income from the ownership of real estate.

In column 4 enter the net income from other business carried on by a member of the family. This includes net income from a store, taxicab, newsstand, etc.

5. Gifts, etc.: Enter in the column the cash value of all regular gifts, whether of money or in kind, received by any member or members of the family. Do not enter the amount of occasional gifts which are not considered a steady source of income. Do not enter the amount of gifts received by one member of the family from another member of the family, if both members are living at home. However, if any member of the insurance family not living with the family contributes regular gifts to the family income, enter the amount of the annual contribution in column 5 under B designating the member of insurance family making such regular gifts.

6. Other income: Enter here all kinds of steady income not already mentioned. For instance, include amounts being received under a pension or on account of workmen's compensation insurance.

*G. Total annual income.*—For office use.

*Supplementary questions.*—These questions should be asked after the other information called for in the schedule has been recorded:

1. "Have any policies other than those examined ever been in force on any persons listed as members of the family?" This question refers to policies on persons listed as members of the family but which policies have not been shown you *and which are not recorded in the schedule*. A circle in the column headed "yes" if there were lapsed, surrendered, or matured policies on any of these people.

2. (To be asked of industrial policyholders in the Metropolitan Life Ins. Co.) "Has use ever been made of the Metropolitan Life Insurance Co.'s visiting nurse service? If the answer is 'No,' is it because the family did not know of the service?" Ask these questions only if there is at least one *Metropolitan Industrial policy* listed in the schedule.

3. "Has advantage ever been taken of the 10 percent discount given industrial policyholders for paying premiums at the local office of the insurance company? If the answer is 'No,' is it because the family did not know about this?" Ask these questions only if there is at least one industrial policy listed which was

issued by the Prudential, the Metropolitan, or the John Hancock. (*Remember not to criticize* any company or its practices in obtaining answers to this question.)

4. "Could the family conveniently pay industrial insurance premiums on a monthly basis? Does policyholder prefer to pay by the week?" These questions refer to industrial insurance only. If premiums are usually paid monthly or oftener, do not specifically ask the first part of this question, but enter a circle in the column headed "Yes." If they are usually paid weekly or every 2 weeks, ask the question. Ask the second question in every case.

5. Determine which, if any of the following types of saving institutions are now used by members of the family:

Savings Bank.....	Postal Savings.....
Savings Department of Bank.....	Credit Union.....
Co-operative Bank.....	Other (Describe).....

If any member of the family has savings on deposit or invested in one or more of the named institutions, enter a circle in the proper space or spaces. Do not ask how much the savings amount to.

6. Write in additional question as follows: "Have you ever consulted an insurance counselor?" An insurance counselor is an individual not connected with an insurance company whose principal business is that of giving advice in the planning of insurance.

NOTE.—On page 3 of schedule, above the words "Supplementary Questions", write: "Lives in rented home (or apartment)," if such is the case. If the premises are occupied by the owner, state whether such occupancy applies to all or only a part of the premises.

## APPENDIX 5

### Adjustments Made on Schedules

The realities in an insurance contract are not always what appear on the surface. This is particularly true of industrial insurance where the actual amount of benefit that will be paid upon the death of the insured is usually either greater or less than the so-called "face amount." It is seldom that the policyholder himself knows the exact facts, and it requires no little skill in the use of rate books and dividend sheets for an experienced agent to figure it out.

The survey was directed toward finding out the amounts, classes, and plans of insurance and the cost of maintaining this insurance in force. It was, therefore, necessary to study carefully the data reported for each policy in each schedule, and check it against dividend and company releases so as to be able to adjust the "face value" of the policy to the amount of insurance actually in force and the amount of premium being paid. The amount of benefit that would have been paid if the death of the insured had occurred on the date of enumeration was used as the "face value," and the annual premium, as affected by current dividends, was used as the present cost of that amount of insurance.

*Insurance in force—Infantile and cumulative endowment policies.*—In the case of certain policies such as infantile and cumulative endowment policies the amount of insurance in force at a particular time is dependent upon the age at issue and the number of years the policy has been in force. It is therefore necessary to consult a table, usually printed on the policy itself, from which it is possible to determine the amount in force for every 5 cents of weekly premium. Multiplying this by the number of nickels contained in the weekly premium gives the total amount of insurance in force.

*Insurance in force reduced by policy loans.*—In cases where a loan had been made to a policyholder against the reserve value of a policy, the amount of the loan was deducted from the amount of insurance that would otherwise have been paid on the death of the insured. Few loans are made on industrial policies as they ordinarily do not have any loan values. However, when a policyholder reinstates a lapsed policy and does not pay the premium arrears in cash a "lien" is placed against the policy for the amount of unpaid back premiums. Liens, usually for relatively small amounts, were ignored. In a few rare cases where liens on industrial policies were large they were deducted from the amount of insurance otherwise represented by the policies. No account of interest was taken in these adjustments.

*Adjustments for dividends.*—It was necessary to make extensive computations to determine the annual premiums required to maintain the amount of insurance in force, since the payment of dividends by mutual companies frequently alters the facts as shown on the policies. This required the use of premium-rate books as well as the statements of dividends declared by the different mutual companies. Three industrial companies paid their annual dividends in the form of credits against premium charges and one by additions to the face of the policy. All premiums after adjustments for dividend credits were put on an annual basis. The premiums on all participating ordinary policies were reduced by the amounts of dividends declared in 1939 on those respective policies, on the assumption that the great majority of policyholders elect that mode of dividend payment.

*Annual premiums reduced when paid at company's office.*—If a policyholder was taking advantage of the 10-percent discount on premiums for payment at the local office of the insurance company, proper adjustments were made on the schedule.

*Policies surrendered for cash.*—Policies which were cash-surrendered during the year previous to the date of enumeration were not considered as having been in force during the year, nor were any premiums on these policies included in the family's annual premium payments.

*Policies in force as paid-up insurance for a reduced amount.*—Policies on which premium payments had ceased, and on which the policyholder had selected the option of paid-up insurance at a reduced face value, were considered as being in

force at the reduced face value. No premiums on these policies were included in the family's annual premium payments, but proper adjustment for dividend additions to the face amount were made.

*Policies in force as extended term insurance.*—Policies on which the premium payments were in arrears beyond the grace period were considered as in force for the full face value on extended term insurance, if the number of premium payments already made warranted such treatment, and unless the liens against the policy were of such amount as to exhaust the policyholder's equity. The contractual obligations of the companies were carefully analyzed in making these entries. No premiums on these extended limited term policies were included in the family's annual premium payments.

*Policies issued during the year preceding enumeration.*—On policies issued during the 12 months preceding the date of enumeration premiums were computed for the entire year and included in the family's annual premium payments.

*Assumptions with respect to ordinary policies.*—In making adjustments in the premiums on ordinary policies on account of dividends declared in 1939 it was decided to proceed on the assumption that the ordinary policies found in the survey contained neither the disability nor the double-indemnity benefit. This results in a slight tendency to overstate dividends, as companies have paid slightly higher dividends on policies without these benefits than they have on policies with them. On the other hand, additional premiums are charged for the disability and double-indemnity benefits. Hence this factor tends to compensate for the other tendency. Relatively few of the policies were complicated with double indemnity or disability features and it is felt that no bias results from this assumption.

*Plans of insurance.*—A wide variety of terms is employed to describe different plans of life insurance and many provisions are found which vary somewhat in different policies. To the layman these present a confused picture. Close study, however, reveals that basically life insurance policies may be classed into four groups: (1) Whole life, (2) limited payment life, (3) endowment, and (4) term. These are the classes employed generally in the industry. The criteria employed in classifying policies follow those used by the companies and the State insurance commissioners and relate mainly to length of the period over which it is contemplated that premiums will be paid. Thus when the premium paying period was 30 years or longer, a policy whether of the limited payment type or of the endowment type was classified as on the "whole life" plan. Policies in which the premium-paying period was less than 30 years were divided into "endowments" or "limited payment life" plans, respectively. Endowment policies were those policies that terminate<sup>1</sup> with the payment of the face amount upon the expiration of periods less than 30 years in length. "Limited payment life" policies provide insurance throughout the life of the insured, but were those in which the premium-paying period stipulated was less than 30 years. "Term" insurance policies are in force for a limited term of years. In this respect they are like "endowments" but, unlike endowment policies, there is no payment to the policyholder upon the expiration of the period indicated as the "term."

A detailed classification of policies is shown in table 7. From this the relative importance of each of twenty-odd policy plans may be judged. Among the industrial policies classified as "whole life" it is clear that policies written on the plan "paid up at 75" dominate the group. Policies of this type account for 84 percent of all such whole-life policies. These together with the policies "paid up at 70" account for all but 5.4 percent of the total in this group.

Among the ordinary policies grouped as "whole life," 2 types stand out: "Endowment at 85" and "until death." Together these 2 plans account for 485 out of a total of 622 policies.

In both industrial and ordinary insurance the policies classified as "limited-payment life" were predominantly of the "20 payment" variety. This plan accounted for all but 18 of the 1,384 industrial policies, and all but 16 of the 444 ordinary policies in this classification.

Endowments in both industrial and ordinary policies are primarily of the short-term variety. Thus among the industrial policies 2,677 of 3,122 were for 20 years and 338 for 15 years. Among the ordinary endowments, 20-year policies are dominant and account for 146 out of 189 policies.

Of the 192 industrial term policies all arose from the operation of the nonforfeiture provision—hence they were what is known as *extended term* policies. Only 10 term policies were found in the ordinary insurance. Half of these were extended term policies, the other half had been sold originally as term policies.

<sup>1</sup> Such policies could, of course, terminate by death, lapse, or surrender before the expiration of 30 years.

It may be noted that this table shows 395 certificates of group insurance. All of these represent term insurance. In 109 cases these certificates carried such benefits as accident and health insurance in addition to life insurance.

There were 276 fraternal-insurance policies. All of these were written on the whole-life plan in which premiums are payable until death.

*Family income.*—One of the objectives of the survey was to relate the cost of life insurance to the premium-paying ability of various classes of families. This necessitated an inquiry to determine the total annual income of each family enumerated. For this purpose it was decided to include both the money and nonmoney income received by the family during the 12 months preceding the day of enumeration.

Money income was defined as the total net cash received by each member of the economic family. This included salaries, wages, Work Projects Administration wages, local relief, whether worked for or not; mother's aid, old-age assistance, soldiers' relief or other forms of relief; net earnings from boarders or lodgers; net profits from business enterprises owned or operated by members of the family; net rents from property owned by members of the family; interest on investments; gifts received regularly and used for living purposes; pensions; workmen's compensation; and alimony.

Nonmoney income included the estimated cash value of commodities taken by owners from their shops for family use; commodities received by families from the Surplus Commodities Division of the Massachusetts Department of Public Welfare or other sources; free rent for janitorial or other services; value of the use of owned home.

In estimating the net rents from the operation of real property it was decided after some study to use an arbitrary 40 percent of the gross rents as the most equitable average net income. When the owner occupied part of the premises, 40 percent of the rental value of that portion was added to his income. Similarly, a formula was established for estimating the imputed income of families owning and living in their homes. The family's equity in the property was established by ascertaining as nearly as possible the market value of the property and deducting the amount of the mortgage, if any. On the assumption that the resulting equity should yield an average return of 3 percent if converted into some other form of investment, 3 percent of the equity was added to the family income.

*Family members.*—For analytical purposes family members were classified with reference to their relation to the family income as follows: A *breadwinner* was one whose contribution to the total income of his family was at least 50 percent as large as the average annual income per member in his family. In other words, it was one who was carrying at least 50 percent of his share of the family burden. The *chief breadwinner* was that individual in each family in whose continued earning capacity the family had the greatest insurable interest. Except as noted below, a member who contributed nothing or whose contribution amounted to less than 50 percent of the average annual income in his family was classed as a *dependent*. Individuals who received old-age assistance, mother's aid or some form of government relief for which they did no work were considered neither as dependents nor breadwinners.

*Average annual income per family member* was derived by dividing the total family income by the number of persons living at home. The income of members of the family not living at home was not included in the total family income, but any contributions made to the family by these members were included as part of the total family income.

# APPENDIX 6

## Illustrations of Premium Receipt Books

BE SAFE AND PAY PREMIUMS IN ADVANCE										DON'T PAY PREMIUMS TO STRANGERS									
Weekly Premium	Date Due	Date Received	Debit No.	Debit No.	Debit No.	Debit No.	Debit No.	Debit No.	Debit No.	Weekly Premium	Date Due	Date Received	Debit No.	Debit No.	Debit No.	Debit No.	Debit No.	Debit No.	Debit No.
1.00	JULY 5	7/13	1017	1017	1017	1017	1017	1017	1017	1.00	JULY 5	7/13	1017	1017	1017	1017	1017	1017	1017
1.30	JULY 14	7/29	11	11	11	11	11	11	11	1.30	JULY 14	7/29	11	11	11	11	11	11	11
1.30	JULY 29	8/5	12	12	12	12	12	12	12	1.30	JULY 29	8/5	12	12	12	12	12	12	12
1.30	AUG 5	8/12	13	13	13	13	13	13	13	1.30	AUG 5	8/12	13	13	13	13	13	13	13
1.30	AUG 12	8/19	14	14	14	14	14	14	14	1.30	AUG 12	8/19	14	14	14	14	14	14	14
1.30	AUG 19	8/26	15	15	15	15	15	15	15	1.30	AUG 19	8/26	15	15	15	15	15	15	15
1.30	AUG 26	9/2	16	16	16	16	16	16	16	1.30	AUG 26	9/2	16	16	16	16	16	16	16
1.30	SEPT 2	9/9	17	17	17	17	17	17	17	1.30	SEPT 2	9/9	17	17	17	17	17	17	17
1.30	SEPT 9	9/16	18	18	18	18	18	18	18	1.30	SEPT 9	9/16	18	18	18	18	18	18	18
1.30	SEPT 16	9/23	19	19	19	19	19	19	19	1.30	SEPT 16	9/23	19	19	19	19	19	19	19
1.30	SEPT 23	9/30	20	20	20	20	20	20	20	1.30	SEPT 23	9/30	20	20	20	20	20	20	20
1.30	OCT 1	10/8	21	21	21	21	21	21	21	1.30	OCT 1	10/8	21	21	21	21	21	21	21
1.30	OCT 8	10/15	22	22	22	22	22	22	22	1.30	OCT 8	10/15	22	22	22	22	22	22	22
1.30	OCT 15	10/22	23	23	23	23	23	23	23	1.30	OCT 15	10/22	23	23	23	23	23	23	23
1.30	OCT 22	10/29	24	24	24	24	24	24	24	1.30	OCT 22	10/29	24	24	24	24	24	24	24
1.30	OCT 29	11/5	25	25	25	25	25	25	25	1.30	OCT 29	11/5	25	25	25	25	25	25	25
1.30	NOV 5	11/12	26	26	26	26	26	26	26	1.30	NOV 5	11/12	26	26	26	26	26	26	26
1.30	NOV 12	11/19	27	27	27	27	27	27	27	1.30	NOV 12	11/19	27	27	27	27	27	27	27
1.30	NOV 19	11/26	28	28	28	28	28	28	28	1.30	NOV 19	11/26	28	28	28	28	28	28	28
1.30	NOV 26	12/3	29	29	29	29	29	29	29	1.30	NOV 26	12/3	29	29	29	29	29	29	29
1.30	DEC 3	12/10	30	30	30	30	30	30	30	1.30	DEC 3	12/10	30	30	30	30	30	30	30
1.30	DEC 10	12/17	31	31	31	31	31	31	31	1.30	DEC 10	12/17	31	31	31	31	31	31	31
1.30	DEC 17	12/24	32	32	32	32	32	32	32	1.30	DEC 17	12/24	32	32	32	32	32	32	32
1.30	DEC 24	12/31	33	33	33	33	33	33	33	1.30	DEC 24	12/31	33	33	33	33	33	33	33
1.30	JAN 1	1/7	34	34	34	34	34	34	34	1.30	JAN 1	1/7	34	34	34	34	34	34	34
1.30	JAN 7	1/14	35	35	35	35	35	35	35	1.30	JAN 7	1/14	35	35	35	35	35	35	35
1.30	JAN 14	1/21	36	36	36	36	36	36	36	1.30	JAN 14	1/21	36	36	36	36	36	36	36
1.30	JAN 21	1/28	37	37	37	37	37	37	37	1.30	JAN 21	1/28	37	37	37	37	37	37	37
1.30	JAN 28	2/4	38	38	38	38	38	38	38	1.30	JAN 28	2/4	38	38	38	38	38	38	38
1.30	FEB 4	2/11	39	39	39	39	39	39	39	1.30	FEB 4	2/11	39	39	39	39	39	39	39
1.30	FEB 11	2/18	40	40	40	40	40	40	40	1.30	FEB 11	2/18	40	40	40	40	40	40	40
1.30	FEB 18	2/25	41	41	41	41	41	41	41	1.30	FEB 18	2/25	41	41	41	41	41	41	41
1.30	FEB 25	3/3	42	42	42	42	42	42	42	1.30	FEB 25	3/3	42	42	42	42	42	42	42
1.30	MAR 3	3/10	43	43	43	43	43	43	43	1.30	MAR 3	3/10	43	43	43	43	43	43	43
1.30	MAR 10	3/17	44	44	44	44	44	44	44	1.30	MAR 10	3/17	44	44	44	44	44	44	44
1.30	MAR 17	3/24	45	45	45	45	45	45	45	1.30	MAR 17	3/24	45	45	45	45	45	45	45
1.30	MAR 24	3/31	46	46	46	46	46	46	46	1.30	MAR 24	3/31	46	46	46	46	46	46	46
1.30	APR 1	4/7	47	47	47	47	47	47	47	1.30	APR 1	4/7	47	47	47	47	47	47	47
1.30	APR 7	4/14	48	48	48	48	48	48	48	1.30	APR 7	4/14	48	48	48	48	48	48	48
1.30	APR 14	4/21	49	49	49	49	49	49	49	1.30	APR 14	4/21	49	49	49	49	49	49	49
1.30	APR 21	4/28	50	50	50	50	50	50	50	1.30	APR 21	4/28	50	50	50	50	50	50	50
1.30	APR 28	5/5	51	51	51	51	51	51	51	1.30	APR 28	5/5	51	51	51	51	51	51	51
1.30	MAY 5	5/12	52	52	52	52	52	52	52	1.30	MAY 5	5/12	52	52	52	52	52	52	52
1.30	MAY 12	5/19	53	53	53	53	53	53	53	1.30	MAY 12	5/19	53	53	53	53	53	53	53
1.30	MAY 19	5/26	54	54	54	54	54	54	54	1.30	MAY 19	5/26	54	54	54	54	54	54	54
1.30	MAY 26	6/2	55	55	55	55	55	55	55	1.30	MAY 26	6/2	55	55	55	55	55	55	55
1.30	JUN 2	6/9	56	56	56	56	56	56	56	1.30	JUN 2	6/9	56	56	56	56	56	56	56
1.30	JUN 9	6/16	57	57	57	57	57	57	57	1.30	JUN 9	6/16	57	57	57	57	57	57	57
1.30	JUN 16	6/23	58	58	58	58	58	58	58	1.30	JUN 16	6/23	58	58	58	58	58	58	58
1.30	JUN 23	6/30	59	59	59	59	59	59	59	1.30	JUN 23	6/30	59	59	59	59	59	59	59
1.30	JUL 1	7/7	60	60	60	60	60	60	60	1.30	JUL 1	7/7	60	60	60	60	60	60	60
1.30	JUL 7	7/14	61	61	61	61	61	61	61	1.30	JUL 7	7/14	61	61	61	61	61	61	61
1.30	JUL 14	7/21	62	62	62	62	62	62	62	1.30	JUL 14	7/21	62	62	62	62	62	62	62
1.30	JUL 21	7/28	63	63	63	63	63	63	63	1.30	JUL 21	7/28	63	63	63	63	63	63	63
1.30	JUL 28	8/4	64	64	64	64	64	64	64	1.30	JUL 28	8/4	64	64	64	64	64	64	64
1.30	AUG 4	8/11	65	65	65	65	65	65	65	1.30	AUG 4	8/11	65	65	65	65	65	65	65
1.30	AUG 11	8/18	66	66	66	66	66	66	66	1.30	AUG 11	8/18	66	66	66	66	66	66	66
1.30	AUG 18	8/25	67	67	67	67	67	67	67	1.30	AUG 18	8/25	67	67	67	67	67	67	67
1.30	AUG 25	9/1	68	68	68	68	68	68	68	1.30	AUG 25	9/1	68	68	68	68	68	68	68
1.30	SEP 1	9/8	69	69	69	69	69	69	69	1.30	SEP 1	9/8	69	69	69	69	69	69	69
1.30	SEP 8	9/15	70	70	70	70	70	70	70	1.30	SEP 8	9/15	70	70	70	70	70	70	70
1.30	SEP 15	9/22	71	71	71	71	71	71	71	1.30	SEP 15	9/22	71	71	71	71	71	71	71
1.30	SEP 22	9/29	72	72	72	72	72	72	72	1.30	SEP 22	9/29	72	72	72	72	72	72	72
1.30	SEP 29	10/6	73	73	73	73	73	73	73	1.30	SEP 29	10/6	73	73	73	73	73	73	73
1.30	OCT 6	10/13	74	74	74	74	74	74	74	1.30	OCT 6	10/13	74	74	74	74	74	74	74
1.30	OCT 13	10/20	75	75	75	75	75	75	75	1.30	OCT 13	10/20	75	75	75	75	75	75	75
1.30	OCT 20	10/27	76	76	76	76	76	76	76	1.30	OCT 20	10/27	76	76	76	76	76	76	76
1.30	OCT 27	11/3	77	77	77	77	77	77	77	1.30	OCT 27	11/3	77	77	77	77	77	77	77
1.30	NOV 3	11/10	78	78	78	78	78	78	78	1.30	NOV 3	11/10	78	78	78	78	78	78	78
1.30	NOV 10	11/17	79	79	79	79	79	79	79	1.30	NOV 10	11/17	79	79	79	79	79	79	79
1.30	NOV 17	11/24	80	80	80	80	80	80	80	1.30	NOV 17	11/24	80	80	80	80	80	80	80
1.30	NOV 24	12/1	81	81	81	81	81	81	81	1.30	NOV 24	12/1	81	81	81	81	81	81	81
1.30	DEC 1	12/8	82	82	82	82	82	82	82	1.30	DEC 1	12/8	82	82	82	82	82	82	82
1.30	DEC 8	12/15	83	83	83	83	83	83	83	1.30	DEC 8	12/15	83	83	83	83	83	83	83
1.30	DEC 15	12/22	84	84	84	84	84	84	84	1.30	DEC 15	12/22	84	84	84	84	84	84	84
1.30	DEC 22	12/29	85</																

## DON'T PAY PREMIUMS TO STRANGERS

## DON'T PAY PREMIUMS TO STRANGERS

**DON'T PAY PREMIUMS TO STRANGERS**

## **DON'T PAY PREMIUMS TO STRANGERS**



## APPENDIX 7

### Industrial Life Insurance in Massachusetts

The figures contained in the table (p. 100), and which are presented on the accompanying chart (p. 100), will serve to show the relative stability of industrial life insurance in force in Massachusetts as a whole from 1928 through 1938.<sup>1</sup>

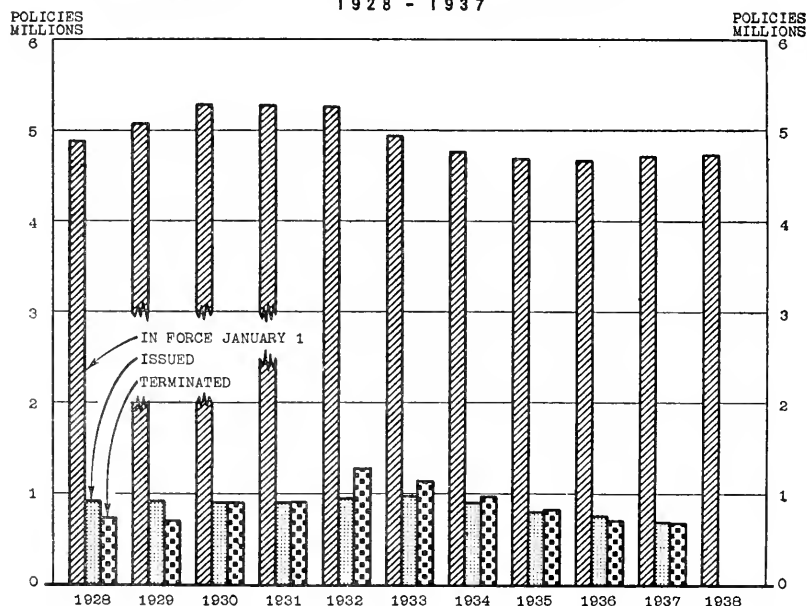
It is evident that industrial insurance in Massachusetts has resisted the forces of depression to an extraordinary degree. The largest number of industrial-insurance policies in force was 5,287,469 as of January 1, 1930. The smallest number was 4,670,209 recorded at the end of 1935, a difference of only 11.7 percent. The net change in the 10 years from December 31, 1928, to December 31, 1937, was a decrease of only 337,695 policies or 6.7 percent. This stability appears to be due primarily to persistent, aggressive sales efforts rather than to a diminishing number of terminations. During the years 1928 to 1934 the number of policies issued fluctuated between 967,692 in 1933 and 898,558 in 1930, while terminations ranged from 1,280,709 in 1932 to 700,245 in 1930. It is interesting to note that since 1933 both the sale of policies and terminations have shown slightly declining trends and that the number of policies in force has increased but little since 1936.

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<sup>1</sup> No later data available.

CHART 22

INDUSTRIAL LIFE INSURANCE IN MASSACHUSETTS  
ANNUAL NUMBER OF POLICIES ISSUED, TERMINATED, AND IN FORCE  
1928 - 1937



Source: Annual Reports of the Commissioner  
of Insurance of Massachusetts

DS-1509 Prepared by Sec. & Exch. Comm.

Total number of industrial policies issued, terminated, and in force in Massachusetts  
each year, 1928-37

Year	In force Jan. 1	Issued during year	Terminated during year	In force end of year
1928	4,878,354	916,038	725,665	5,068,727
1929	5,068,727	918,987	700,245	5,287,469
1930	5,287,469	898,558	902,795	5,283,232
1931	5,283,232	905,165	914,026	5,274,371
1932	5,274,371	950,300	1,280,709	4,943,962
1933	4,943,962	967,692	1,143,371	4,768,283
1934	4,768,283	900,480	974,053	4,694,710
1935	4,694,710	802,708	827,209	4,670,209
1936	4,670,209	758,808	707,858	4,721,159
1937	4,721,159	691,597	681,724	4,731,032
1938	4,731,032			

Source: Annual Report of the Commissioner of Insurance of Massachusetts.

## APPENDIX 8

### Modes of Termination

*Modes of termination—Industrial insurance.*—A judgment of the social value of industrial life insurance should be based not only upon the need which it is supposed to satisfy but also upon the actual history of its performance. One aspect of performance is revealed by the record of the industrial insurance policies that have been terminated. The table below, upon which the accompanying chart is based, reveals the facts with respect to the modes of termination of the industrial policies written by the four life insurance companies selling industrial insurance in Massachusetts. This table is based upon the *entire business* of these companies; such data are not available for individual states. It shows the relative importance of each mode of termination in percentages based on *numbers* of policies for all policy contracts which ceased each year from 1928 through 1937.

Policies may terminate in any one of five different ways. In order of their importance in this period these are: (a) Lapse, (b) surrender, (c) death, (d) expiry, and (e) maturity.<sup>1</sup> The largest proportion of industrial policies (53.96 percent) terminated by lapse. This type of termination occurs when the policyholder fails to continue the payment of premiums and when this failure takes place *before* the policy has been in force long enough to have acquired nonforfeiture values. When policies *lapse*, no cash is returned to the policyholder and it may be said that all the policyholder received for the premiums he paid was the insurance protection he enjoyed while the policy was in force.

*Terminations of industrial insurance—Relative importance of different mode of termination, 1928-37, based on all industrial policies of the Metropolitan, Prudential, John Hancock, and Boston Mutual terminated each year, 1928-37*

Year	Percentages of the total number terminating by—					
	Lapse	Surrender	Expiry	Maturity	Death	Total
1928.....	68.06	20.72	1.79	1.43	8.00	100
1929.....	65.17	23.02	1.94	1.49	8.38	100
1930.....	63.59	27.56	1.52	1.07	6.26	100
1931.....	59.28	32.78	1.46	.90	5.58	100
1932.....	57.36	36.56	1.23	.73	4.12	100
1933.....	56.15	36.48	1.68	.87	4.82	100
1934.....	54.72	35.01	3.04	1.58	5.65	100
1935.....	39.96	37.66	13.75	2.30	6.33	100
1936.....	35.65	35.95	18.24	2.62	7.54	100
1937.....	31.11	38.72	18.89	3.02	8.26	100
Total.....	53.96	32.93	5.46	1.47	6.18	100

Source: Annual Reports of the Commissioner of Insurance of Massachusetts.

*Surrender* accounted for 32.93 percent of industrial policy terminations. After policies have been in force for over 5 years they acquire a nonforfeiture value which upon *surrender* may be demanded in cash.<sup>2</sup> Therefore the policies surrendered represent the termination of policy contracts, the cessation of premium payments, and the realization in cash of nonforfeiture values which had accrued to the insured.

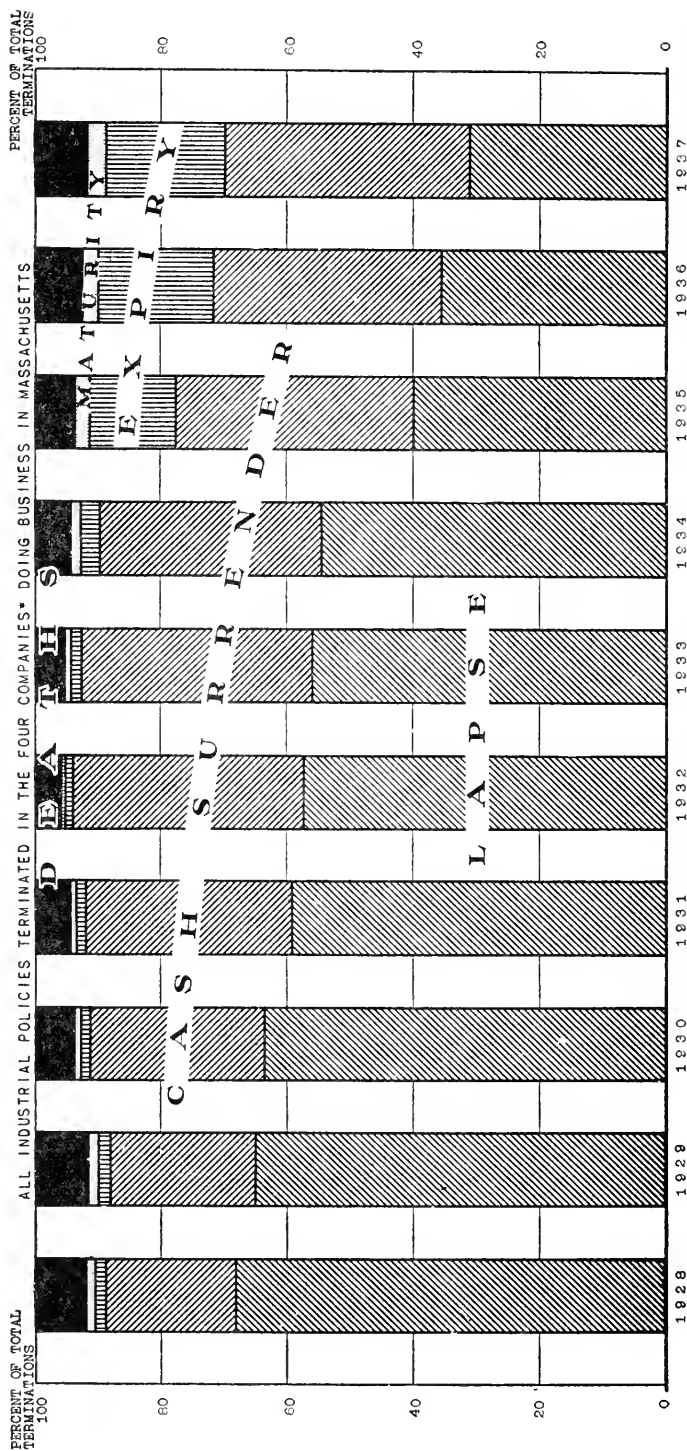
<sup>1</sup> It is possible also for policies to terminate by disability. In industrial insurance the policies which terminate from this cause are few and have not been considered in this study.

<sup>2</sup> Another form in which the nonforfeiture value may be taken is known as "paid-up insurance for a reduced amount." This runs for the life of the insured.

CHART 23

## INDUSTRIAL INSURANCE

RELATIVE IMPORTANCE OF DIFFERENT MODES OF TERMINATION 1928 - 1937



Source: Annual Reports of the Commissioner of Insurance of Massachusetts

DS-1512 Prepared by Sec. &amp; Exch. Coaa.

*Death* accounted for 6.18 percent of the terminations in this period. It will be observed that this mode of termination reached its lowest point (4.12 percent) in 1932 from which it has since risen to 8.26 percent in 1937. The fluctuation in the relative importance of terminations from death is due principally to the differences in the absolute numbers of terminations from other causes. There has been little change in the actual number of terminations by death in this decade.

Under recent liberalizations in the provisions of industrial insurance, before cash-surrender values are allowed policies may acquire nonforfeiture values which may be taken in the form of "extended term" insurance. Under this arrangement, with some variations among companies, a policy instead of lapsing upon the discontinuance of premium payments is converted into paid-up term insurance for the old face amount. The *term* for which it remains in force depends upon the size of the reserve built up while premiums were paid.<sup>3</sup>

When the terms of such policies expire the policies terminate by *expiry*. Inasmuch as it was only in 1935 that extended-term insurance was made available on industrial policies upon which premiums had been paid for such short periods, it is understandable why *expiry* as a mode of termination was relatively unimportant before then. *Expiry* accounted for 1.79 percent of terminations in 1928, but in 1937 accounted for 18.89 percent.

*Maturity* pertains to the policies written on the endowment plan which mature in a specified number of years. Endowment policies which continue in force until the expiration of the specified period terminate by maturity.<sup>4</sup> Maturity accounted for 1.47 percent of all terminations.

The noteworthy trends in the modes of terminations during the 10 years 1928-37 are the steadiness in the importance of surrender, especially from 1932 on; the decrease in the relative importance of lapse, and the increase in the importance of expiry. Obviously the decrease in the percentage of lapse and the increase in percentage of expiry are related and are due to the liberalization of nonforfeiture provisions mentioned above as a result of which a great many policies, which under former conditions would have lapsed, now expire. The total terminations from lapse, surrender, and expiry have fluctuated but little in this period, ranging from a high of 95.15 percent in 1932 to a low of 88.72 percent in 1937.

<sup>3</sup> The Prudential, for example, in one of its industrial policies written in 1937 provided that the face insurance "shall be automatically extended, commencing at the end of the period of grace, for a period of 1 week for each 3 weeks' premiums theretofore paid in cash."

<sup>4</sup> Whole life policies are considered as endowment policies payable at age 96 when according to the mortality tables all policyholders are supposed to be dead. Therefore those few whole-life policies which persist until age 96 is reached terminate by maturity.

## APPENDIX 9

### List of Companies With Life Insurance Policies in Force in 1,666 Insured Families

#### Industrial policies:

Boston Mutual Life Insurance Co.  
John Hancock Mutual Life Insurance Co.  
Metropolitan Life Insurance Co.  
Prudential Insurance Co. of America, The.

#### Ordinary policies:

##### I. Massachusetts companies:

Boston Mutual Life Insurance Co.  
Columbian National Life Insurance Co., The.  
John Hancock Mutual Life Insurance Co.  
Massachusetts Mutual Life Insurance Co.  
New England Mutual Life Insurance Co.  
Savings Banks.  
State Mutual Life Assurance Co. of Worcester

##### II. Companies of other States:

Acacia Mutual Life Insurance Co.  
Aetna Life Insurance Co.  
Bankers National Life Insurance Co.  
Connecticut General Life Insurance Co.  
Equitable Life Assurance Society of the United States, The.  
Guardian Life Insurance Co. of America, The.  
Home Life Insurance Co.  
Metropolitan Life Insurance Co.  
Mutual Benefit Life Insurance Co., The.  
Mutual Trust Life Insurance Co.  
National Life Insurance Co.  
New York Life Insurance Co.  
Penn Mutual Life Insurance Co., The.  
Phoenix Mutual Life Insurance Co.  
Provident Mutual Life Insurance Co. of Philadelphia.  
Prudential Insurance Co. of America, The.  
Security Mutual Life Insurance Co.  
Shenandoah Life Insurance Co.  
Sun Life Assurance Co. of Canada.  
Travelers Insurance Co., The.  
Union Central Life Insurance Co., The.  
Union Labor Life Insurance Co., The.  
Union Mutual Life Insurance Co.  
United Life and Accident Insurance Co.  
United States Government Life Insurance.

##### III. Fraternal associations:

Ancient Order of United Workmen.  
Brith Abraham.  
Eagles.  
Elizabeth Daughters of America.  
German's Benefit Association.  
Herman Sons of America.  
Independent Order Sons of Italy.  
Knights of Columbus.  
Ladies Catholic Benevolent Association.  
Lithuanian Alliance of America.  
Lithuanian Sons and Daughters Benevolent Association.  
Masonic Lodge.  
Massachusetts Catholic Order of Foresters.

Ordinary policies—Continued.

III. Fraternal associations—Continued.

National Aid Society.  
New England Order of Protection.  
Odd Fellows.  
Polish Roman Catholic Society.  
Portuguese Continental Union.  
Royal Arcanum.  
St. Jean Baptiste of America.  
San Pellegrino.  
Scottish Clan.  
Societa Di Salemitani.  
Woodmen of the World.

IV. Mutual Benefit Associations:

Aid Association for Lutherans.  
Boston Firemen's Mutual Benefit Association.  
Boston Police Relief Association.  
Economy Grocery Mutual Benefit Association.  
Firemen's Permanent Protective Association.  
Gamenell Fire Alarm Co. Mutual Benefit Association.  
Ginn & Co. Mutual Benefit Association.  
H. P. Hood & Sons Mutual Benefit Association.  
Massachusetts Firemen's Mutual Benefit Association.  
Schrafft's Mutual Benefit Association.  
Waltham Watch Mutual Benefit Association.  
Western Electric Mutual Benefit Association.  
Workmen's Sick and Death Benefit Association.

# APPENDIX 10

## Statistical Tables

TABLE 1.—*Insurance and income characteristics of population enumerated*

[Of the 2,132 families enumerated, 1,666 were insured, 466 were without insurance. For these groups separately, the table presents by blocks the number of families, the number of persons, and the total annual income. The total amount of insurance in force, the number of policies, and the total annual premiums are shown]

Block	Total number of persons enumerated	Total number of persons without insurance	Families without insurance			Families with insurance							Total insurance in force <sup>1</sup>	Number of policies in force <sup>1</sup>	Total annual premiums <sup>1</sup>	
			Number	Total annual income	Number of family members	Number of family members			Number of persons insured							
						Total	Not insured	Insured	Living away from family	Total <sup>1</sup>						
1.....	155	44	8	\$7,615	18	36	\$62,741	130	26	104	7	111	226	\$105,551	226	\$3,090.19
2.....	114	40	9	8,789	22	25	36,599	87	18	69	5	74	111	71,522	111	1,610.20
3.....	121	26	3	5,796	11	25	47,501	107	15	92	3	95	172	79,066	172	2,893.97
4.....	141	26	2	1,862	8	28	56,494	121	18	103	12	115	271	103,802	271	3,043.01
5.....	231	50	8	6,617	25	46	50,181	200	25	175	6	181	233	70,842	233	2,330.02
6.....	241	66	8	6,499	36	42	57,375	195	30	165	10	175	288	99,396	288	3,034.56
7.....	94	19	6	4,635	19	20	21,349	74	30	44	1	45	67	16,873	67	751.72
8.....	356	169	35	28,393	97	71	93,380	269	72	197	20	217	363	112,828	363	4,442.62
9.....	333	120	25	24,683	75	69	95,800	252	45	207	6	213	352	133,112	352	4,345.48
10.....	113	64	14	12,358	56	16	20,610	52	8	44	5	49	71	33,032	71	1,116.44
11.....	124	82	15	10,866	58	16	18,663	65	24	41	1	42	58	31,050	58	1,037.74
12.....	783	499	76	77,033	397	72	97,662	376	102	274	10	284	413	124,171	413	4,488.49
13.....	309	127	21	19,751	92	49	66,610	213	35	178	4	182	291	100,841	291	3,383.84
14.....	176	29	5	4,551	13	41	64,269	156	16	140	7	147	235	95,022	235	3,401.12
15.....	258	146	24	21,738	128	30	37,021	124	18	106	6	112	207	57,697	207	1,570.03
16.....	341	154	36	27,099	110	61	68,666	220	44	176	11	187	265	81,000	265	2,662.77
17.....	269	171	18	24,399	73	49	81,910	196	98	98	0	98	131	87,229	131	2,847.43
18.....	201	38	4	4,000	23	40	51,914	173	15	158	5	163	250	81,487	250	2,681.73



19	270	65	6	7, 632	18	63	117, 109	248	47	201	4	205	339	149, 436	4, 422. 35
20	467	74	7	7, 528	26	96	142, 240	420	48	372	21	393	647	246, 433	7, 713. 95
21	259	57	4	3, 729	15	46	89, 770	233	42	196	6	202	407	174, 418	5, 260. 05
22	388	117	21	17, 202	73	72	114, 813	294	44	250	21	271	464	189, 222	5, 922. 34
23	351	99	13	12, 795	46	67	120, 013	302	53	249	3	252	409	240, 680	6, 845. 53
24	341	84	14	17, 400	60	61	92, 103	276	24	252	5	257	456	160, 798	5, 250. 52
25	194	20	3	2, 906	9	41	72, 297	169	11	158	16	174	339	124, 942	3, 529. 42
26	180	43	4	7, 154	17	45	86, 923	155	26	129	8	137	237	125, 405	3, 689. 79
27	167	40	6	7, 725	21	35	56, 749	143	19	124	3	127	206	96, 362	2, 595. 28
28	192	52	8	8, 062	27	34	61, 661	163	25	138	2	140	280	126, 618	3, 408. 66
29	248	68	9	12, 750	44	47	88, 150	193	24	169	11	180	331	142, 972	4, 159. 34
30	236	43	6	7, 484	18	46	74, 964	210	25	185	8	193	314	125, 456	3, 489. 09
31	446	189	30	32, 907	133	65	92, 133	310	56	254	3	257	416	151, 327	5, 535. 03
32	154	37	7	5, 664	27	29	45, 633	120	10	110	7	117	206	80, 489	2, 207. 53
33	91	37	9	8, 711	31	13	22, 335	58	6	52	2	54	91	37, 070	986. 89
34	242	28	2	2, 264	9	55	94, 267	227	19	208	6	214	363	136, 456	4, 395. 45
35	437	50	-----	-----	-----	115	155, 572	423	50	373	14	387	641	276, 730	7, 650. 78
Total	9, 053	3, 003	466	458, 597	1, 835	1, 666	2, 554, 826	6, 959	1, 168	5, 791	259	6, 050	10, 150	4, 069, 385	125, 794. 26

\* There is included the data covering 259 persons living away from the family but on whom insurance was carried by the family.

TABLE 2.—*Insurance ownership by families and persons classified as to relief status*

[Complete information was enumerated for 2,132 of the 3,548 families in the blocks surveyed. The enumerated families in each block are shown classified on the basis of whether or not they (a) were receiving some form of public relief and (b) possessed some form of life insurance. For each group thus classified there is shown the number of persons enumerated. This includes 259 living away from the family on whom insurance was carried by the family]

Block	Insured nonrelief families			Insured relief families			Uninsured nonrelief families		Uninsured relief families		Total number of—			
	Number of families insured	Number of persons		Number of families insured	Number of persons		Number of families	Number of persons	Number of families	Number of persons	Families		Persons	
		Insured	Uninsured		Insured	Uninsured					Insured	Uninsured	Insured	Uninsured
1.....	30	96	16	6	15	10	5	8	3	10	36	8	111	44
2.....	19	61	11	6	13	7	6	12	3	10	25	9	74	40
3.....	24	94	12	1	1	3	3	11	0	0	25	3	95	26
4.....	20	80	9	8	35	9	2	8	0	0	28	2	115	26
5.....	34	133	16	12	48	9	1	2	7	23	46	8	181	50
6.....	33	130	20	9	45	10	1	4	7	32	42	8	175	66
7.....	13	27	17	7	18	13	2	4	4	15	20	6	45	49
8.....	42	129	46	29	88	26	11	20	24	77	71	35	217	169
9.....	47	165	28	22	48	17	11	25	14	50	69	25	213	120
10.....	9	31	4	7	18	4	5	19	9	37	16	14	49	64
11.....	14	40	22	2	2	2	7	26	8	32	16	15	42	82
12.....	37	144	35	35	140	67	21	94	55	303	72	76	284	499
13.....	35	131	26	14	51	9	9	32	12	60	49	21	182	127
14.....	33	119	12	8	28	4	4	11	1	2	41	5	147	29
15.....	15	53	6	15	59	12	5	16	19	112	30	24	112	146
16.....	29	89	21	32	98	23	9	23	27	87	61	36	187	154
17.....	44	87	94	5	11	4	9	38	9	35	49	18	98	171
18.....	24	97	9	16	66	6	2	10	2	13	40	4	163	38
19.....	53	167	44	10	38	3	4	15	2	3	63	6	205	65
20.....	65	265	21	31	128	27	1	4	6	22	96	7	393	74
21.....	35	155	32	11	47	10	3	11	1	4	46	4	202	57
22.....	47	162	26	25	109	18	8	23	13	50	72	21	271	117
23.....	56	218	35	11	34	18	10	32	3	14	67	13	252	99
24.....	43	171	18	18	86	6	6	27	8	33	61	14	257	84
25.....	36	165	11	5	9	0	3	9	0	0	41	3	174	20
26.....	40	124	12	5	13	14	4	17	0	0	45	4	137	43
27.....	32	120	14	3	7	5	2	7	4	14	35	6	127	40
28.....	30	130	14	4	16	11	6	17	2	10	34	8	140	52
29.....	42	153	21	5	27	3	4	13	5	31	47	9	180	68
30.....	34	142	13	12	51	12	5	15	1	3	46	6	193	43
31.....	49	196	32	16	61	24	13	60	17	73	65	30	257	189
32.....	21	96	7	8	21	3	0	0	7	27	29	7	117	37
33.....	10	44	5	3	10	1	2	7	7	34	13	9	54	37
34.....	45	176	13	10	38	6	1	6	1	3	55	2	214	28
35.....	111	376	50	4	11	0	0	0	0	0	115	0	387	50
Total...	1,251	4,566	772	415	1,484	396	185	626	281	1,209	1,666	466	6,050	3,003

TABLE 3.—*Family income levels in blocks surveyed*

[This table presents for insured and uninsured families, separately, the average annual incomes of the families and the average number of members per family in each block. From these data are derived the figures showing average annual income per family member]

Block	Average annual incomes in families—		Average number of members in families—		Average annual income per family member in families—	
	With insurance	Without insurance	With insurance	Without insurance	With insurance	Without insurance
1.....	\$1,743	\$952	3.6	2.3	\$483	\$423
2.....	1,464	977	3.5	2.4	421	400
3.....	1,900	1,932	4.3	3.7	444	527
4.....	2,018	931	4.3	4.0	467	233
5.....	1,091	827	4.3	3.1	251	265
6.....	1,366	812	4.6	4.5	294	181
7.....	1,067	773	3.7	3.2	289	244
8.....	1,315	811	3.8	2.8	347	293
9.....	1,389	987	3.7	3.0	380	329
10.....	1,288	883	3.3	4.0	396	221
11.....	1,166	724	4.1	3.9	287	187
12.....	1,356	1,014	5.2	5.2	260	194
13.....	1,359	941	4.3	4.4	313	215
14.....	1,568	910	3.8	2.6	412	350
15.....	1,234	906	4.1	5.3	299	170
16.....	1,126	753	3.6	3.1	312	246
17.....	1,672	1,356	4.0	4.1	418	334
18.....	1,280	1,000	4.3	5.8	296	174
19.....	1,859	1,272	3.9	3.0	472	424
20.....	1,482	1,075	4.4	3.7	339	290
21.....	1,952	932	5.2	3.8	377	249
22.....	1,595	819	4.1	3.5	391	236
23.....	1,791	984	4.5	3.5	397	278
24.....	1,510	1,243	4.5	4.3	334	290
25.....	1,763	969	4.1	3.0	428	323
26.....	1,932	1,789	3.4	4.3	561	421
27.....	1,621	1,288	4.1	3.5	397	368
28.....	1,814	1,008	4.8	3.4	378	299
29.....	1,876	1,417	4.1	4.9	457	290
30.....	1,630	1,247	4.6	3.0	357	416
31.....	1,417	1,097	4.8	4.4	297	247
32.....	1,574	809	4.1	3.9	380	210
33.....	1,718	968	4.5	3.4	385	281
34.....	1,714	1,132	4.1	4.5	415	252
35.....	1,353	-----	3.7	-----	368	-----
Averages <sup>1</sup> .....	1,534	984	4.2	3.9	367	250

<sup>1</sup> Based on aggregates.

TABLE 4.—*Size of families and insurance status*

[The 2,132 enumerated families are herein distributed according to the number of members in each. Separate distributions are shown for nonrelief, relief, insured, and uninsured families]

Number of persons in individual families	Number of nonrelief families			Number of relief families			Total number of families			
	Insured	Not insured	Per- centage insured	Insured	Not insured	Per- centage insured	Insured	Not insured	Total	Per- centage insured
11 and over.....	9	-----	100.00	6	6	50.00	15	6	21	71.43
10.....	9	1	90.00	4	6	40.00	13	7	20	65.00
9.....	22	2	91.67	7	5	58.33	29	7	36	80.56
8.....	33	3	91.67	11	19	36.67	44	22	66	66.67
7.....	68	6	91.89	40	19	67.80	108	25	133	81.20
6.....	107	14	88.43	42	23	64.62	149	37	186	80.11
5.....	164	19	89.62	62	49	55.86	226	68	294	76.87
4.....	300	34	89.82	82	32	71.93	382	66	448	85.27
3.....	308	31	90.86	79	35	69.30	387	66	453	85.43
2.....	200	49	80.32	56	50	52.83	256	99	355	72.11
1.....	31	26	54.39	26	37	41.27	57	63	120	47.50
Total number of families.....	1,251	185	87.12	415	281	59.63	1,666	466	2,132	78.14

TABLE 5.—*Economic status of enumerated families*

[All enumerated families classified according to average annual income per family member. Separate distributions are shown for insured, uninsured, relief and nonrelief families]

Economic status: Average annual income per family mem- ber	Insured		Uninsured		Total		Grand total
	Nonrelief	Relief	Nonrelief	Relief	Nonrelief	Relief	
\$2,000 and over.....	2	-----	-----	-----	2	-----	2
\$1,500 to \$1,999.....	8	-----	1	-----	9	-----	9
\$1,000 to \$1,499.....	43	-----	7	1	50	1	51
\$900 to \$999.....	23	-----	3	-----	26	-----	26
\$800 to \$899.....	29	2	3	1	32	3	35
\$700 to \$799.....	75	7	11	4	86	11	97
\$600 to \$699.....	113	4	8	2	121	6	127
\$500 to \$599.....	143	21	19	6	162	27	189
\$450 to \$499.....	91	14	14	9	105	23	128
\$400 to \$449.....	109	24	10	8	119	32	151
\$350 to \$399.....	125	30	15	19	140	49	189
\$300 to \$349.....	151	24	22	22	173	46	219
\$250 to \$299.....	142	70	18	33	160	103	263
\$200 to \$249.....	90	82	17	53	107	135	242
\$150 to \$199.....	61	84	15	64	76	148	224
\$100 to \$149.....	30	48	15	50	45	98	143
Under \$100.....	16	5	7	9	23	14	37
Total.....	1,251	415	185	281	1,436	696	2,132
SUMMARY							
\$600 and over.....	293	13	33	8	326	21	347
\$300 to \$599.....	619	113	80	64	699	177	876
Under \$300.....	339	289	72	209	411	498	909
Total.....	1,251	415	185	281	1,436	696	2,132

TABLE 6.—*Classes of insurance in force*

[This table shows the relative importance of each class or combination of classes of insurance among the enumerated families by number of policies, amounts in force, and total annual premiums]

Classes and combinations of classes of insurance found in families' holdings	Families		Totals						Industrial					
	Num-ber	Percent of total	Policies		Insurance in force		Annual premium		Policies		Insurance in force		Annual premium	
			Num-ber	Per-cent	Amount	Per-cent	Amount	Per-cent	Num-ber	Per-cent of total	Amount	Per-cent	Amount	Per-cent
Industrial only.....	701	42.1	3,907	38.5	\$943,050	23.2	\$36,020.29	28.6	3,907	47.5	\$943,050	46.7	\$36,020.29	44.7
Industrial and ordinary.....	370	22.2	2,489	24.6	1,145,957	28.1	38,554.76	30.6	1,862	22.7	456,723	22.6	19,622.06	24.4
Industrial and group.....	125	7.5	970	9.6	373,052	9.2	9,910.12	7.9	818	10.0	214,939	10.7	8,727.28	10.8
Industrial and fraternal.....	64	3.9	498	4.9	158,163	3.9	5,010.57	4.0	416	5.1	99,690	4.9	3,896.16	4.8
Industrial, ordinary, and group.....	115	6.9	1,053	10.4	586,441	14.4	14,371.62	11.4	692	8.4	174,490	8.6	7,328.77	9.1
Industrial, ordinary, and fraternal.....	59	3.5	555	5.5	282,691	6.9	7,804.29	6.2	366	4.4	96,650	4.8	3,605.50	4.6
Industrial, ordinary, and fraternal.....	9	.6	94	.9	39,611	1.0	931.78	.9	65	.8	15,911	.8	591.44	.7
Industrial, ordinary, group, and fraternal.....	20	1.2	184	1.8	110,769	2.7	2,621.46	2.1	88	1.1	18,745	.9	767.68	1.0
Ordinary only.....	104	6.2	204	2.0	218,679	5.4	6,460.60	5.1	---	---	---	---	---	---
Ordinary and group.....	20	1.2	58	.6	71,917	1.8	1,436.70	1.1	---	---	---	---	---	---
Ordinary and fraternal.....	11	.7	32	.3	29,094	.7	721.65	.6	---	---	---	---	---	---
Ordinary, group, and fraternal.....	5	.3	22	.2	41,390	1.0	762.55	.6	---	---	---	---	---	---
Group only.....	25	1.5	29	.2	32,236	.8	277.68	.2	---	---	---	---	---	---
Group and fraternal.....	4	.2	10	.1	7,260	.2	179.39	.1	---	---	---	---	---	---
Fraternal only.....	34	2.0	45	.4	29,075	.7	670.80	.6	---	---	---	---	---	---
Total.....	1,666	100.0	10,150	100.0	4,069,385	100.0	125,794.26	100.0	8,214	100.0	2,020,158	100.0	80,549.18	100.0

TABLE 6.—*Classes of insurance in force*—Continued

Classes and combinations of classes of insurance found in families' holdings	Ordinary <sup>1</sup>				Others <sup>2</sup>			
	Policies		Insurance in force		Policies		Insurance in force	
	Num-ber	Per-cent of total	Amount	Per-cent	Num-ber	Per-cent of total	Amount	Per-cent
Industrial only.....	627	49.6	\$18,932.70	50.0	152	22.7	\$158,113	24.5
Industrial and ordinary.....					82	12.2	58,503	9.1
Industrial and group.....					146	22.2	185,912	28.8
Industrial, ordinary, and group.....	215	17.0	5,687.13	15.0	77	11.5	56,508	8.8
Industrial, ordinary, and fraternal.....	112	8.8	3,276.20	8.6	23	3.9	23,700	3.7
Industrial, group, and fraternal.....					53	7.9	45,720	7.1
Industrial, ordinary, group, and fraternal.....	43	3.4	46,304	3.3				
Ordinary only.....	204	16.1	218,679	15.6	22	3.3	25,136	3.9
Ordinary and group.....	36	2.9	46,781	3.3	15	2.2	9,820	1.5
Ordinary and fraternal.....	17	1.3	19,274	1.4	11	1.6	13,220	2.0
Ordinary, group, and fraternal.....	11	.9	28,170	2.0	29	4.3	32,236	5.0
Group only.....					10	1.5	7,260	1.1
Group and fraternal.....					45	6.7	29,075	4.5
Fraternal only.....								
Total.....	1,265	100.0	1,404,024	100.0	671	100.0	645,203	100.0
			37,894.46				7,350.62	

<sup>1</sup> Includes savings-bank life insurance.<sup>2</sup> "Others" includes fraternal and group insurance.

TABLE 7.—Plans of insurance in force

[This table shows the distribution of the various plans of insurance owned by enumerated families among the 4 categories: Whole life, limited payment, life endowment, and term. The relative importance of the various categories is indicated by number of policies, amount of insurance in force, and annual premiums]

Plan of insurance	Industrial			Ordinary			Group			Fraternal			All classes combined		
	Num-ber of policies	Amount of insur-ance	Annual premiums	Num-ber of policies	Amount of insur-ance	Annual premiums	Num-ber of policies	Amount of insur-ance	Annual premiums	Num-ber of policies	Amount of insur-ance	Annual premiums	Num-ber of policies	Amount of insur-ance	Annual premiums
<b>Whole life:</b>															
Paid up at reduced amount.....	9	\$525	0	2	\$502	0							11	\$1,027	0
Paid up at 75.....	2,963	815,492	\$26,490.76	34	34,838	\$758.72							2,997	850,330	\$27,249.48
Paid up at 70.....	367	111,239	3,948.56	3	7,500	102.11							370	118,739	4,050.67
Paid until death.....	32	10,960	343.80	234	271,700	6,444.34				276	\$190,606	\$3,771.78	542	473,266	10,559.92
Endowment at 80.....	42	9,052	289.50	0	0	0							42	9,052	289.50
Endowment at 85.....	0	0	0	251	294,590	6,165.64							251	294,590	6,165.64
Limited-payment over 30 years.....	1	252	3.20	39	51,375	1,046.64							40	51,627	1,049.84
Endowment over 30 years.....	79	27,113	692.05	12	12,650	360.39							91	39,763	1,052.44
30-payment life.....	2	200	10.40	26	27,435	658.54							28	27,635	668.94
Endowment at 65.....	5	2,886	65.00	18	19,894	481.15							23	22,780	546.15
Cumulative endowment.....	9	2,285	100.25	0	0	0							9	2,285	100.25
Endowment, 30 years.....	7	1,772	58.75	2	5,000	419.40							9	6,772	478.15
Limited-payment, 30 years.....	0	0	0	1	500	26.07							1	500	26.07
Total whole life.....	3,516	981,776	32,002.27	622	725,984	1,463.00				276	190,606	3,771.78	4,414	1,898,366	52,237.05
Percentage of whole life to total.....	(42.80)	(48.60)	(39.73)	(49.17)	(51.71)	(43.44)				(100.00)	(100.00)	(100.00)	(43.49)	(46.65)	(41.53)
<b>Limited-payment life:</b>															
10 payment life.....	12	\$2,470	\$291.20	2	\$1,902	74.76							14	\$4,372	365.96
20-payment life.....	1,368	377,128	14,220.03	428	445,788	12,007.90							1,796	822,916	26,227.93
Limited payment less than 30 years.....	4	1,032	15.95	14	137,000	490.73							18	14,810	506.88
Total limited-payment life.....	1,384	380,630	14,527.18	444	461,468	12,573.39							1,828	842,098	77,100.52

TABLE 7.—Plans of insurance in force—Continued

Plan of insurance	Industrial			Ordinary			Group			Fraternal			All classes combined		
	Num- ber of policies	Amount of insur- ance	Annual premiums	Num- ber of policies	Amount of insur- ance	Annual premiums	Num- ber of policies	Amount of insur- ance	Annual premiums	Num- ber of policies	Amount of insur- ance	Annual premiums	Num- ber of policies	Amount of insur- ance	Annual premiums
Limited-payment life— Continued.															
Percentage of lim- ited-payment life to total	(16.85)	(18.34)	(18.04)	(35.10)	(32.87)	(33.18)							(18.01)	(20.69)	(21.54)
Endowment:															
Short-term				1	1,000	42.24							1	\$1,000	42.24
15 years	338	\$63,019	\$4,373.64	10	9,103	546.54							348	72,122	4,920.18
20 years	2,677	524,159	28,439.63	146	136,281	6,148.57							2,823	660,440	34,588.25
25 years	41	10,665	471.55	3	11,000	421.04							44	21,665	892.59
Endowment at 65	1	212	13.00	6	7,679	285.67							7	7,891	298.67
Cumulative endow- ment	24	5,237	346.00	0	0	0							24	5,237	346.00
Short-term	41	7,357	375.86	23	234,000	921.64							64	30,816	1,297.50
Total endowment	3,122	610,649	34,010.73	189	188,522	8,365.70							3,311	790,171	42,385.43
Percentage of endow- ment to total	(38.01)	(30.23)	(42.23)	(14.94)	(13.43)	(22.08)							(32.68)	(19.64)	(33.69)
Term:															
Extended term	192	\$47,103	0	5	\$5,000	0							197	\$52,103	0
Term	0	0	0	5	23,050	492.37	395	\$454,597	\$3,578.84				400	477,647	\$4,071.21
Total term	192	47,103	0	10	28,050	497.37	395	454,597	3,578.84				597	529,750	4,071.21
Percentage of term to total	(2.34)	(2.33)	(0)	(0.79)	(1.99)	(1.30)	(100.00)	(100.00)	(100.00)				(5.88)	(13.02)	(3.24)
Total	8,214	\$2,020,158	80,549.18	1,265	1,404,024	37,894.46	395	454,597	\$3,578.84	276	\$100,606	\$3,771.78	10,150	4,089,385	125,794.26



TABLE 8.—*Ordinary and industrial insurance in force with indicated carriers*

[The relative prominence of the various life-insurance companies in the holdings of insurance by the enumerated families is shown in the accompanying table. Insurance in force is represented by the number of policies, the amount of insurance, and the annual premiums]

Plans of insurance	Boston Mutual			John Hancock			Metropolitan			Prudential		
	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums
Industrial:												
Whole life.....	238	\$62,211	\$1,869.27	1,403	\$388,359	\$12,283.37	1,414	\$389,090	\$13,017.15	460	\$141,940	\$4,819.48
Limited-payment life.....	30	8,921	360.80	733	186,681	7,202.36	518	152,446	5,440.22	103	32,592	1,523.80
Endowment.....	205	31,958	1,928.57	979	191,320	10,555.97	1,480	295,493	16,447.55	456	91,720	5,081.04
Term.....	6	490	---	92	24,052	---	64	13,494	---	30	9,067	---
Total.....	479	103,580	4,158.64	3,207	790,412	30,041.70	3,476	850,523	34,904.92	1,049	275,309	11,424.32
Ordinary:												
Whole life.....	13	9,000	218.25	121	139,924	3,313.55	256	331,891	7,286.92	50	68,518	1,720.58
Limited-payment life.....	18	12,158	364.67	116	112,998	3,111.13	203	222,527	5,874.95	49	42,185	1,355.07
Endowment.....	7	4,000	188.33	33	33,334	1,600.16	80	79,940	3,611.84	26	24,889	1,173.66
Term.....	---	---	---	---	---	---	6	23,050	424.85	3	4,000	23.36
Total.....	38	25,158	771.25	270	286,256	8,024.84	555	657,408	17,198.56	128	139,592	4,272.67
Industrial and ordinary:												
Whole life.....	251	71,211	2,087.52	1,524	528,283	15,596.92	1,680	720,981	20,304.07	510	210,458	6,540.06
Limited-payment life.....	48	21,079	725.47	849	299,679	10,313.49	721	374,973	11,315.17	152	74,767	2,878.87
Endowment.....	212	35,958	2,116.90	1,012	224,654	12,156.13	1,560	375,433	20,039.39	482	116,009	6,254.70
Term.....	6	490	---	92	24,052	---	70	36,544	424.85	33	13,067	23.36
Total.....	517	128,738	4,929.89	3,477	1,076,668	38,066.54	4,031	1,507,931	52,103.48	1,177	414,901	15,696.99



TABLE 9.—*Monthly insurance*

[This table shows for industrial and ordinary insurance upon which premiums are paid monthly, the amounts held by enumerated families in the indicated companies and on the indicated plans. The information is shown separately for policies under \$1,000 and over \$1,000]

## ORDINARY POLICIES UNDER \$1,000

Plan of insurance	Metropolitan			Prudential			John Hancock			Savings bank			Others			Total		
	Num-ber of poli-cies	Amount of insur-ance	Annual premi-ums	Num-ber of poli-cies	Amount of insur-ance	Annual premi-ums	Num-ber of poli-cies	Amount of insur-ance	Annual premi-ums	Num-ber of poli-cies	Amount of insur-ance	Annual premi-ums	Num-ber of poli-cies	Amount of insur-ance	Annual premi-ums	Num-ber of poli-cies	Amount of insur-ance	Annual premi-ums
Whole life.....	16	\$13,951	\$415.55	16	\$8,333	\$478.18	6	\$2,550	\$96.17	40	\$17,213	\$282.54	4	\$1,985	\$76.04	82	\$44,032	\$1,349.08
Limited-payment life.....	17	14,921	434.58	17	8,442	323.99	11	3,300	232.92	3	1,500	28.76				48	28,163	920.25
Endowment.....	7	4,180	209.29	13	6,889	400.31	5	1,150	132.00	1	80	23.04	4	1,686	93.76	30	13,985	858.40
Total.....	40	33,052	1,059.42	46	23,664	1,202.48	22	7,000	461.09	44	18,793	334.34	8	3,671	170.40	160	86,180	3,127.73

## ORDINARY POLICIES \$1,000 AND OVER

Whole life.....	109	\$129,653	\$2,657.54	8	\$9,000	\$224.82	29	\$31,783	\$810.52	11	\$11,000	\$207.78	7	\$11,000	\$233.35	164	\$192,426	\$4,134.01
Limited-payment life.....	78	84,363	2,331.16	8	8,043	258.07	11	11,663	393.80	3	3,000	80.43				100	107,069	3,063.46
Endowment.....	15	19,132	806.99	1	1,000	49.80	5	5,449	259.03				3	3,000	85.08	24	28,531	1,200.90
Total.....	202	233,148	5,795.69	17	18,043	532.69	45	48,895	1,463.35	14	14,000	298.21	10	14,000	318.43	288	328,086	8,398.37

## INDUSTRIAL POLICIES UNDER \$1,000

Whole life.....	32	\$16,694	\$697.74	10	\$5,025	\$236.76										42	\$21,719	\$934.50
Limited-payment life.....	29	15,098	539.16	11	5,637	201.96										40	20,735	741.12
Endowment.....	29	14,722	799.20	10	5,033	260.64										39	19,755	1,059.84
Total.....	90	46,514	2,036.10	31	15,695	699.36										121	62,209	2,735.46

## INDUSTRIAL POLICIES \$1,000 AND OVER

Limited-payment life.....	1	\$1,045	\$33.12													1	\$1,045	\$33.12
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TABLE 10.—*Classes of insurance owned, classified according to economic status of families*

[This table shows for insured families of the indicated income groups, the relative importance of industrial, ordinary, group, and fraternal insurance]

Families with average annual income per family member of—	Amount of insurance in force				Total amount of insurance
	Industrial	Ordinary	Group	Fraternal	
\$600 and over.....	\$301, 728	\$449, 892	\$121, 384	\$57, 033	\$930, 037
\$300 to \$599.....	885, 342	697, 599	214, 930	101, 750	1, 899, 621
Under \$300.....	833, 088	256, 533	118, 283	31, 823	1, 239, 727
Total.....	2, 020, 158	1, 404, 024	454, 597	190, 606	4, 069, 385

Families with average annual income per family member of—	Percent of total amount of insurance in each income group				Total
	Industrial	Ordinary	Group	Fraternal	
\$600 and over.....	32. 44	48. 37	13. 05	6. 14	100. 00
\$300 to \$599.....	46. 61	36. 72	11. 31	5. 36	100. 00
Under \$300.....	67. 20	20. 69	9. 54	2. 57	100. 00
Total.....	49. 64	34. 50	11. 17	4. 69	100. 00

Families with average annual income per family member of—	Number of families <sup>1</sup> with—				Total number of families
	Industrial	Ordinary	Group	Fraternal	
\$600 and over.....	228	179	85	47	306
\$300 to \$599.....	653	363	154	111	732
Under \$300.....	582	162	84	47	628
Total.....	1, 463	704	323	205	1, 666

<sup>1</sup> The number of families represents those carrying some of the class of insurance indicated, whether alone or in combination with other classes of insurance. Thus the same family may appear in more than 1 class.

TABLE 11.—*Insurance in force classified by sex and present age of insured*

[This table shows for all insurance and for industrial, ordinary, and savings bank insurance separately the number of policies, amounts of insurance, and annual premiums]

Present age of insured	All insurance <sup>1</sup> on—					Industrial insurance on—								
	Male persons			Female persons			Male persons			Female persons				
	Num- ber	Num- ber of poli- cies	Amount of insur- ance	Annual premiums	Num- ber	Num- ber of poli- cies	Amount of insur- ance	Annual premiums	Num- ber of poli- cies	Amount of insur- ance	Annual premiums	Num- ber of poli- cies	Amount of insur- ance	Annual premiums
75 and over.....	18	31	\$14,061	\$458.12	23	41	\$8,108	\$232.45	20	\$4,155	\$146.06	38	\$6,531	\$134.85
70 to 74.....	33	58	21,860	1,040.89	37	90	17,964	1,061.26	45	10,231	665.44	88	16,714	1,005.24
65 to 69.....	51	92	62,034	2,378.95	70	174	35,387	2,072.07	58	15,615	922.29	162	26,705	1,680.18
60 to 64.....	77	167	91,990	3,574.29	81	193	45,389	2,267.16	131	35,222	2,021.25	185	38,809	2,157.94
55 to 59.....	102	189	110,093	3,701.15	112	267	72,756	3,320.15	122	34,629	1,838.57	242	52,790	2,577.62
50 to 54.....	167	330	204,315	6,507.97	138	289	88,005	3,693.90	195	57,773	2,744.44	258	63,539	3,082.63
45 to 49.....	160	325	250,070	6,035.95	159	268	97,578	3,803.25	180	55,689	2,184.06	227	64,475	2,827.99
40 to 44.....	168	281	207,695	5,471.00	154	271	97,243	3,632.03	158	53,369	2,229.27	230	64,879	2,682.90
35 to 39.....	215	402	289,417	7,180.48	181	312	129,205	4,049.95	221	71,587	2,605.10	246	73,091	2,713.02
30 to 34.....	252	471	335,178	7,562.97	238	381	155,977	4,743.07	260	84,533	2,855.47	304	88,696	3,157.16
25 to 29.....	267	471	307,197	7,183.80	296	482	204,920	5,802.05	291	87,657	2,929.38	367	104,901	3,789.69
20 to 24.....	253	461	185,814	4,754.59	258	440	157,126	4,532.38	272	95,524	3,158.93	358	86,707	3,108.67
18 to 19.....	121	206	72,320	1,872.49	113	174	54,942	1,550.98	179	44,766	1,356.50	153	34,679	1,080.05
16 to 17.....	106	176	56,055	1,494.74	121	191	50,706	1,570.17	153	33,365	1,014.89	176	38,395	1,285.57
14 to 15.....	138	204	61,261	1,458.84	117	190	50,491	1,420.78	186	45,523	1,204.44	179	39,691	1,181.67
12 to 13.....	140	199	54,444	1,544.99	121	187	52,190	1,501.26	186	43,644	1,366.66	179	45,490	1,372.73
10 to 11.....	131	191	49,380	1,373.66	123	188	48,839	1,496.34	183	45,355	1,300.50	183	45,089	1,430.77
8 to 9.....	121	167	38,143	1,152.55	138	190	51,708	1,672.22	158	34,866	1,075.93	184	48,248	1,602.33
6 to 7.....	157	225	49,690	1,821.87	127	176	39,072	1,435.83	221	47,640	1,773.87	174	38,272	1,426.78
4 to 5.....	135	182	38,916	1,602.19	126	184	36,703	1,543.49	176	36,608	1,532.91	181	35,713	1,527.46
2 to 3.....	145	199	27,105	1,821.02	151	196	28,937	1,909.32	194	26,095	1,784.99	193	27,937	1,887.42
Under 2.....	115	133	10,114	1,409.16	94	106	8,987	1,082.48	124	8,574	1,238.12	94	6,327	892.44
Total.....	3,072	5,160	2,537,152	71,401.67	2,978	4,990	1,532,233	54,392.59	3,813	972,420	37,949.07	4,401	1,047,738	42,600.11

<sup>1</sup> Includes group and fraternal insurance.



TABLE 11A.—*Policyholders with group and fraternal insurance classified according to present age*

Present age of insured	Number of policyholders owning—		Present age of insured	Number of policyholders owning—	
	Group insurance	Fraternal insurance		Group insurance	Fraternal insurance
70 and over.....	1	17	20 to 29.....	97	40
60 to 69.....	16	17	10 to 19.....	10	6
50 to 59.....	47	56	0 to 9.....	0	3
40 to 49.....	65	61	Total.....	351	252
30 to 39.....	115	52			

NOTE.—The 351 individuals insured under group insurance held 295 certificates and represented 1 326 families. The 252 individuals insured under fraternal insurance held 276 policies and represented 1 204 families.

TABLE 12.—*Industrial and ordinary insurance classified by plan of insurance and present age of insured*

[This table shows, by number of policies, amounts, and annual premiums, the insurance plans held by the indicated age groups as well as the total insurance holdings of each group]

## INDUSTRIAL INSURANCE

Present age of insured	Whole life			Limited-payment life			Endowment			Term			Total			Total percentages		
	Num-ber of pol-icies	Amount of insur-ance	Annual premi-ums	Num-ber of pol-icies	Amount of insur-ance	Annual premi-ums	Num-ber of pol-icies	Amount of insur-ance	Annual premi-ums	Num-ber of pol-icies	Amount of insur-ance	Annual premi-ums	Num-ber of pol-icies	Amount of insur-ance	Annual premi-ums	Num-ber of pol-icies	Amount of insur-ance	Annual premi-ums
75 and over	56	\$9,686	\$219.55	3	\$396	\$36.40	2	\$1,000	\$61.36	---	---	---	58	\$10,686	\$250.91	0.71	0.53	0.35
70 to 74	129	26,424	1,623.72	7	1,316	91.95	1	125	10.56	---	---	---	133	26,945	1,670.68	1.62	1.33	2.08
65 to 69	205	38,761	2,328.78	7	1,316	91.95	8	2,303	161.74	---	---	---	220	42,380	2,582.47	2.68	2.10	3.21
60 to 64	283	65,096	3,545.11	14	3,806	339.82	16	4,363	294.26	---	---	---	316	74,031	4,179.19	3.85	3.66	5.19
55 to 59	297	69,858	3,487.02	18	5,113	213.24	48	12,188	715.93	3	\$766	---	304	87,419	4,416.19	4.43	4.33	5.48
50 to 54	309	84,205	3,751.76	49	13,430	716.45	80	22,442	1,358.86	6	1,235	---	453	121,312	5,827.07	5.51	6.01	7.23
45 to 49	245	75,370	2,851.82	80	21,874	1,018.85	72	19,663	1,141.38	10	3,257	---	407	120,164	5,012.05	4.95	5.95	6.22
40 to 44	197	64,077	2,320.87	91	26,424	1,256.00	88	24,832	1,335.30	12	2,915	---	388	118,248	4,912.17	4.72	5.85	6.10
35 to 39	209	71,929	2,082.48	139	41,336	1,655.10	109	28,858	1,585.54	10	2,555	---	467	144,678	5,323.12	5.69	7.16	6.61
30 to 34	223	77,434	2,048.10	180	49,935	1,860.62	138	38,748	2,077.91	23	7,112	---	564	173,229	6,012.63	6.87	8.58	7.46
25 to 29	215	75,455	1,824.21	233	68,641	2,386.42	205	46,777	2,508.44	5	1,685	---	658	192,558	6,719.07	8.01	9.53	8.34
20 to 24	153	50,443	992.47	213	64,567	2,102.17	344	61,703	3,172.96	20	5,518	---	730	182,231	6,267.60	8.89	9.02	7.78
18 to 19	98	29,896	537.92	74	20,897	611.86	150	25,956	1,286.77	10	2,697	---	332	79,445	2,436.55	4.04	3.93	3.02
16 to 17	95	28,678	474.06	32	9,101	246.32	194	31,929	1,590.08	8	2,052	---	329	71,760	2,310.46	4.01	3.55	2.87
14 to 15	133	40,634	642.38	35	11,781	286.90	183	29,423	1,456.83	14	3,376	---	365	85,214	2,386.11	4.44	4.22	2.96
12 to 13	124	37,762	564.45	31	10,297	253.13	199	38,600	1,921.81	11	2,475	---	365	89,134	2,739.39	4.44	4.41	3.40
10 to 11	112	36,251	522.81	31	10,104	239.48	207	40,097	1,968.98	16	3,992	---	366	90,444	2,731.27	4.46	4.40	3.39
8 to 9	106	33,541	487.63	25	6,919	176.35	202	41,215	2,014.28	9	1,439	---	342	83,114	2,678.26	4.16	4.11	3.32
6 to 7	101	26,497	434.07	18	3,946	122.40	260	52,563	2,644.18	16	2,906	---	395	85,112	3,200.65	4.81	4.25	3.98
4 to 5	92	20,797	440.40	22	4,405	151.80	234	45,338	2,468.17	9	1,781	---	357	79,321	3,060.37	4.35	3.58	3.80
2 to 3	97	16,383	583.98	30	2,741	197.60	254	33,966	2,890.83	6	942	---	387	54,032	3,672.41	4.71	2.67	4.56
Under 2	37	2,600	238.68	59	3,601	538.32	119	8,560	1,353.56	3	140	---	218	14,901	2,130.56	2.65	.74	2.65
Total	3,516	981,776	32,002.27	1,384	380,630	14,527.18	3,122	610,649	34,019.73	192	47,103	---	8,214	2,920,158	80,549.18	100.00	100.00	100.00



## ORDINARY INSURANCE

[illegible]

TABLE 12A.—*Savings-bank life insurance classified by plan of insurance and present age of insured*

[This table shows by number of policies amounts of insurance and annual premiums, the various plans of savings-bank life insurance held by indicated age groups as well as the total on all plans by these groups]

Present age of insured	Whole life			Limited-payment life			Endowment			Total		
	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums
35 to 69.....	2	\$1,432	\$59.78							2	\$1,432	\$59.78
30 to 64.....	3	2,500	83.84							3	2,500	83.84
25 to 59.....	2	1,470	57.90	1	\$1,000	\$59.08				3	2,470	116.98
20 to 54.....	6	4,647	122.56	1	700	28.23				7	5,347	150.79
15 to 49.....							2	\$2,133	\$60.79	2	2,133	60.79
10 to 44.....	4	3,500	74.13				1	250	7.88	5	3,750	82.01
5 to 39.....	12	10,500	151.27				2	1,250	22.85	14	11,750	174.12
0 to 34.....	12	10,126	170.63	2	2,000	50.73				14	12,126	221.36
25 to 29.....	15	12,970	197.12	4	4,000	103.86	1	1,000	38.93	20	17,970	339.91
20 to 24.....	8	6,546	85.06	2	1,500	39.48				10	8,046	124.54
18 to 19.....												
16 to 17.....	1	500	4.96	1	500	7.88				2	1,000	12.84
14 to 15.....	3	1,300	13.00							3	1,300	13.00
12 to 13.....	2	800	9.87	1	500	7.32				3	1,300	17.19
10 to 11.....	5	1,800	17.13				1	250	7.49	6	2,050	24.63
8 to 9.....	7	3,402	35.80				1	250	7.57	8	3,652	43.37
6 to 7.....	4	1,350	14.22							4	1,350	14.22
4 to 5.....	7	2,450	35.93							7	2,450	35.93
2 to 3.....	7	1,510	47.54	1	500	10.39				8	2,010	57.93
Under 2.....	7	1,870	49.08				1	80	23.04	8	1,950	72.12
Total.....	107	68,673	1,229.83	13	10,700	306.97	9	5,213	168.55	129	84,586	1,705.35

TABLE 13.—*Industrial and ordinary insurance classified by plan of insurance and age at issue of insured*

[This table shows by number of policies amounts of insurance in force and annual premiums the insurance plans issued to persons in indicated age groups as well as the total insurance in force in each group]

## INDUSTRIAL INSURANCE

Age at issue of insured	Whole life			Limited payment life			Endowment			Term			Total			Percent of total		
	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums
70 and over																		
65 to 69	14	\$1,909	\$188.10	2	\$295	\$52.00							16	\$2,204	\$240.10	0.19	0.11	0.30
60 to 64	116	18,359	1,929.96	7	1,663	239.20							123	20,052	2,169.16	1.50	.99	2.69
55 to 59	190	37,925	3,126.39	2	500	43.68	1	\$505	\$49.08	1	\$240		194	39,170	3,219.15	2.36	1.94	4.00
50 to 54	257	60,691	3,876.23	17	4,503	292.87	22	6,081	467.07	2	411		298	71,686	4,636.17	2.63	3.55	5.76
45 to 49	297	75,961	3,875.25	35	9,403	554.98	50	12,232	810.61	4	1,441		386	99,037	5,240.84	4.70	4.90	6.51
40 to 44	313	90,500	3,732.89	100	29,360	1,533.70	95	25,897	1,545.41	14	4,263		522	150,020	6,812.00	6.36	7.42	8.46
35 to 39	254	78,217	2,681.29	109	30,187	1,387.40	101	26,615	1,515.02	11	2,128		475	137,147	5,583.71	5.78	6.79	6.93
30 to 34	263	85,520	2,442.84	125	37,689	1,542.23	101	29,017	1,630.15	17	4,080		506	156,906	5,615.22	6.16	7.77	6.97
25 to 29	286	100,021	2,532.71	243	68,996	2,513.73	167	41,927	2,301.66	16	4,734		712	215,678	7,348.10	8.67	10.68	9.12
20 to 24	186	67,881	1,446.91	276	82,741	2,742.48	168	48,693	2,631.14	13	3,851		643	203,166	6,820.53	7.83	10.06	8.47
18 to 19	81	26,082	508.89	85	24,329	745.60	94	20,445	1,099.81	9	2,823		269	74,279	2,354.30	3.27	3.68	2.92
16 to 17	89	30,668	584.48	73	20,382	562.66	77	15,751	864.64	4	1,410		243	68,211	2,011.78	2.96	3.38	2.50
14 to 15	126	36,647	631.09	38	11,335	298.13	124	23,036	1,231.02	7	2,123		295	73,141	2,160.24	3.59	3.61	2.68
12 to 13	143	38,815	614.93	39	11,659	289.03	171	32,031	1,672.17	5	831		358	83,336	2,576.13	4.36	4.13	3.20
10 to 11	140	42,095	652.50	55	17,162	408.19	209	36,890	1,937.58	11	2,217		415	98,364	2,998.27	5.05	4.87	3.72
8 to 9	111	32,499	463.34	29	7,802	188.10	189	30,347	1,454.23	9	2,098		338	73,346	2,105.67	4.11	3.63	2.61
6 to 7	121	31,001	445.44	23	7,298	175.85	199	33,015	1,562.13	19	3,890		362	75,204	2,183.42	4.41	3.71	2.71
4 to 5	113	25,271	367.65	17	2,875	89.30	228	36,869	1,846.85	13	2,860		371	67,875	2,303.08	4.52	3.36	2.86
2 to 3	173	40,029	566.77	26	4,653	174.15	352	56,467	2,897.16	15	2,397		566	103,546	3,608.08	6.89	5.13	4.48
Under 2	243	61,085	1,334.61	83	7,768	693.90	774	134,831	8,534.00	22	4,106		1,122	207,790	10,562.51	13.66	10.29	13.11
Total	3,516	981,776	32,002.27	1,384	380,630	14,527.18	3,122	610,649	34,019.73	192	47,103		8,214	2,020,158	80,549.18	100.00	100.00	100.00



TABLE 13A.—*Savings-bank life insurance classified by plan of insurance and age at issue of insured*

[This table shows by number of policies, amounts of insurance, and annual premiums, the various plans of savings-bank life insurance issued to persons in indicated age groups, as well as the total on all plans by these groups]

Age at issue of insured	Whole life			Limited-payment life			Endowment			Total		
	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums	Number of policies	Amount of insurance	Annual premiums
55 to 59.....	8	\$6,174	\$210.83	1	\$1,000	\$59.08	—	—	—	1	\$1,000	\$59.08
50 to 54.....	3	2,228	73.03	—	—	—	—	—	—	8	6,174	210.83
45 to 49.....	4	3,147	82.86	—	—	—	—	—	—	3	2,228	73.03
40 to 44.....	2	2,000	39.36	—	—	—	—	—	—	4	3,147	82.86
35 to 39.....	12	10,500	193.64	1	700	28.23	3	\$1,633	\$59.07	6	4,333	126.66
30 to 34.....	18	15,126	230.04	1	1,000	30.80	1	1,000	17.36	14	12,500	241.60
25 to 29.....	13	10,963	137.15	5	5,000	123.99	1	1,000	15.09	24	21,126	369.12
20 to 24.....	2	2,000	20.09	2	1,500	39.48	—	—	—	15	12,463	176.63
18 to 19.....	1	553	7.21	—	—	—	—	—	—	2	2,000	20.09
16 to 17.....	2	1,500	13.04	—	—	—	—	—	—	1	553	7.21
14 to 15.....	4	1,800	19.84	—	—	—	—	—	—	2	1,500	13.04
12 to 13.....	2	800	8.15	1	500	7.88	1	1,000	38.93	6	3,300	66.65
10 to 11.....	6	2,850	30.24	—	—	—	—	—	—	2	800	8.15
8 to 9.....	5	1,900	18.05	1	500	7.32	1	250	7.49	8	3,600	45.05
6 to 7.....	6	2,112	26.11	—	—	—	1	250	7.57	6	2,050	25.62
4 to 5.....	7	2,140	32.69	1	500	10.39	—	—	—	6	2,112	26.11
2 to 3.....	12	2,980	87.50	—	—	—	1	80	23.04	8	2,640	43.08
Under 2.....	107	68,673	1,229.83	13	10,700	306.97	9	5,213	168.55	13	3,060	110.54
Total.....										129	84,586	1,705.35

TABLE 14.—*Insured families classified according to size and number of breadwinners in each*

## NONRELIEF FAMILIES

Number of breadwinners	Size of family: Number of members										Total families
	1	2	3	4	5	6	7	8	9	10 and over.	
6.....									1	1	2
5.....						1	4	4		1	10
4.....				1	6	9	3	3	2	1	25
3.....			4	14	14	13	14	7	5	7	78
2.....		34	83	68	30	27	10	5	5	5	267
1.....	31	166	220	216	113	57	37	14	9	3	866
None.....			1	1	1						3
Total.....	31	200	308	300	164	107	68	33	22	18	1,251

## RELIEF FAMILIES

6.....											
5.....						1					1
4.....					1	1	1		2	1	6
3.....			2	1	1	6	3	4	1		18
2.....		5	11	14	13	2	5	3	1	4	58
1.....	8	36	56	56	42	27	29	4	3	5	266
None.....	18	15	10	11	5	5	2				66
Total.....	26	56	79	82	62	42	40	11	7	10	415

TABLE 15.—*Income and breadwinners in insured families*

[Insured families classified according to the incomes and number of breadwinners in each. Family income is treated in 2 ways—first, as totals and second, in terms of the average annual income per family member]

	Nonrelief families						Total families	Relief families						Total families
	Number of breadwinners							Number of breadwinners						
	0	1	2	3	4	5 and more		0	1	2	3	4	5 and more	
Total family income:														
\$6,000 and over.....				2		3	5							
\$5,500 to \$5,999.....				1		1	2							
\$5,000 to \$5,499.....		1	1		1		3							
\$4,500 to \$4,999.....		1	1	1	3	1	7							
\$4,000 to \$4,499.....			4	2	1	3	10							
\$3,500 to \$3,999.....		1	10	11	4	2	28				1			1
\$3,000 to \$3,499.....		7	16	15	8		46				1			1
\$2,500 to \$2,999.....		12	33	17	4	1	67			2	3	3	1	9
\$2,000 to \$2,499.....		76	64	19	2	1	162		2	5	2	3		12
\$1,800 to \$1,999.....		75	27	3	1		106			1	5			6
\$1,600 to \$1,799.....		59	29	5			93		2	7	3			12
\$1,400 to \$1,599.....		146	22	2			170	2	15	15	1			33
\$1,200 to \$1,399.....	1	178	27				206	2	26	8	1			37
\$1,000 to \$1,199.....		141	15				156	7	53	14				74
\$800 to \$999.....		75	10				85	9	86	5				100
\$600 to \$799.....	1	61	4				66	13	64	1				78
\$400 to \$599.....		19	2		1		22	19	11		1			31
\$200 to \$399.....		6	1				7	13	7					20
Under \$200.....	1	8	1				10	1						1
Total.....	3	866	267	78	25	12	1,251	66	266	58	18	6	1	415
Economic status:														
Average annual income per family member:														
\$2,000 and over.....		2					2							
\$1,500 to \$1,999.....		7		1			8							
\$1,000 to \$1,499.....		18	21	2	1	1	43							
\$900 to \$999.....		6	12	3	2		23							
\$800 to \$899.....		14	10	3		2	29		1	1				2
\$700 to \$799.....		39	25	6	3	2	75		6	1				7
\$600 to \$699.....		71	32	6	4		113		2	2				4
\$500 to \$599.....		83	39	13	5	3	143		9	9	3			21
\$450 to \$499.....		58	24	8	1		91	2	7	3	1		1	14
\$400 to \$449.....		72	23	9	3	2	109	5	8	5	3	3		24
\$350 to \$399.....		103	15	7			125	6	20	4				30
\$300 to \$349.....		119	19	8	4	1	151	5	12	4	1	2		24
\$250 to \$299.....	1	115	18	7		1	142	18	41	7	4			70
\$200 to \$249.....		72	14	3	1		90	15	52	9	5	1		82
\$150 to \$199.....	1	50	8	2			61	12	62	9	1			84
\$100 to \$149.....		26	4				30	2	42	4				48
Under \$100.....	1	11	3		1		16	1	4					5
Total.....	3	866	267	78	25	12	1,251	66	266	58	18	6	1	415

TABLE 16.—Age and dependency status of persons in families with insurance

Present ages	Insured persons										Uninsured persons					Total	
	Nonrelief					Relief					Nonrelief			Relief		Total	Grand total
	Chief bread-winner	Other bread-winners	Dependents	Not living with family	Total	Chief bread-winner	Other bread-winners	Dependents	Not living with family	Total	Chief bread-winner	Other bread-winners	Dependents	Other	Total		
70 and over.....	24	5	31	6	66	4	1	11	—	29	5	4	18	27	15	93	153
60 to 69.....	72	13	94	19	198	17	7	31	3	23	9	3	19	31	8	60	329
50 to 59.....	189	25	162	23	399	41	18	46	6	9	15	12	37	64	7	229	100
40 to 49.....	262	38	198	12	510	58	6	46	7	14	28	7	47	82	4	463	608
30 to 34.....	346	74	255	13	706	79	10	66	9	16	39	18	62	119	22	592	771
25 to 29.....	159	81	170	34	444	48	12	46	12	1	14	23	41	78	4	166	825
20 to 24.....	78	144	148	35	405	30	22	38	16	106	5	30	37	72	17	522	1,052
16 to 19.....	3	55	265	12	335	3	18	93	12	126	1	14	45	60	10	28	147
14 to 15.....	—	—	172	3	175	—	—	80	—	80	—	—	28	28	5	35	161
12 to 13.....	—	—	182	3	185	—	—	75	1	76	—	—	26	26	23	95	556
10 to 11.....	—	—	171	1	172	—	—	79	3	82	—	—	24	24	21	106	617
8 to 9.....	—	—	179	—	179	—	—	77	3	80	—	—	24	24	15	39	293
6 to 7.....	—	—	200	1	201	—	—	82	1	83	—	—	21	21	18	42	301
4 to 5.....	—	—	196	2	198	—	—	63	—	63	—	—	22	22	13	34	318
2 to 3.....	—	—	225	1	226	—	—	69	1	70	—	—	28	28	15	37	298
Under 2.....	—	—	166	1	167	—	—	41	1	42	—	—	64	64	12	40	336
Age not given.....	—	—	—	—	—	—	—	—	—	—	—	—	2	2	28	92	301
Total.....	1,133	435	2,814	184	4,566	280	94	943	75	92	116	111	545	772	396	1,168	7,218



TABLE 16A.--*Age and dependency status of persons in families without insurance*

Ages	Nonrelief			Relief				Total		Grand total
	Chief bread-winner	Other bread-winners	De-pend-ents	Chief bread-winner	Other bread-winners	De-pend-ents	Others	Non-relief	Relief	
70 and over.....	13	-----	9	2	-----	9	27	22	38	60
60 to 69.....	24	5	24	15	3	28	19	53	65	118
50 to 59.....	33	3	14	48	6	38	11	50	103	153
40 to 49.....	46	3	38	49	1	70	17	87	137	224
30 to 39.....	34	5	34	42	2	56	14	73	114	187
25 to 29.....	21	9	20	20	4	22	2	50	48	98
20 to 24.....	10	22	25	27	19	40	2	57	88	145
16 to 19.....	1	12	50	6	9	123	-----	52	138	201
14 to 15.....	-----	-----	30	-----	-----	76	-----	30	76	106
12 to 13.....	-----	-----	26	-----	-----	69	-----	26	69	95
10 to 11.....	-----	-----	27	-----	-----	85	-----	27	85	112
8 to 9.....	-----	-----	21	-----	-----	68	-----	21	68	89
6 to 7.....	-----	-----	18	-----	-----	57	-----	18	57	75
4 to 5.....	-----	-----	12	-----	-----	40	-----	12	40	52
2 to 3.....	-----	-----	13	-----	-----	47	-----	13	47	60
Under 2.....	-----	-----	21	-----	-----	36	-----	21	36	57
Age not given.....	1	-----	2	-----	-----	-----	-----	3	-----	3
Total.....	183	59	384	209	44	864	92	626	1, 209	1, 835



\$150 to \$199	12	114	126	7	126	133	8	40	48	7	37	44	5	4	9	1	5	6	25	158	183	15	108	183	40	326	366
\$100 to \$149	11	127	138	4	103	107	6	41	47	3	46	49	4	---	4	2	3	5	21	168	189	9	152	161	30	320	350
\$50 to \$99	2	69	71	1	60	61	1	23	24	2	27	29	1	2	3	---	2	2	4	94	98	3	89	92	7	183	190
Under \$50	1	18	19	---	36	36	2	12	14	---	14	14	---	1	1	---	1	1	3	31	34	---	51	51	3	82	85
Total	473	853	1,326	100	1,192	1,292	672	526	1,198	247	973	1,220	328	67	305	122	238	360	1,473	1,446	2,919	469	2,403	2,872	1,942	3,849	5,791

TABLE 17A.—*Insured members of 1,666 families classified according to amounts of insurance on their respective lives—percentages*  
 [Data presented by numbers, percentages, and cumulative percentages and arranged according to sex and dependency status]

Amounts of insurance in force on individuals	Number of members				Percentages					Cumulative percentages					
	Male	Female	Bread-winners	Others	Total	Male	Female	Bread-winners	Others	Total	Male	Female	Bread-winners	Others	Total
\$10,000 and over	7		7		7	0.24		0.36		0.12	100.00		100.00		100.00
\$9,000 to \$9,999	2		2		2	.07		.10		.03	99.76		99.64		99.88
\$8,000 to \$8,999															
\$7,000 to \$7,999	3		2	1	3	.10		.10	0.03	.05	99.69		99.54	100.00	99.85
\$6,000 to \$6,999	15		15		15	.51		.77		.26	99.59		99.44		99.80
\$5,000 to \$5,999	15	1	15	1	16	.51	0.03	.77	.03	.28	99.08	100.00	98.67	99.97	99.54
\$4,000 to \$4,999	19		19		19	.65		.98		.33	98.57		97.90		99.26
\$3,500 to \$3,999	49	2	51		51	1.68	.07	2.63		.88	97.92	99.97	96.92		98.93
\$2,500 to \$2,999	51	6	52	5	57	1.75	.21	2.68	.13	.99	96.24	99.90	94.29	99.94	98.05
\$2,000 to \$2,499	145	28	156	17	173	4.97	.97	8.03	.44	2.99	94.49	99.69	91.61	99.81	97.06
\$1,500 to \$1,999	139	59	157	41	198	4.76	2.05	8.03	1.07	3.42	89.52	98.72	83.58	99.37	94.07
\$1,000 to \$1,499	471	331	477	325	802	16.14	11.53	24.56	8.44	13.85	84.76	96.67	75.50	98.30	90.65
\$900 to \$999	56	67	61	62	123	1.92	2.33	3.14	1.61	2.12	68.62	85.14	50.94	89.86	76.80
\$800 to \$899	47	76	48	75	123	1.61	2.65	2.47	1.95	2.12	66.70	82.81	47.80	88.25	74.68
\$700 to \$799	95	111	84	122	206	3.25	3.86	4.33	3.17	3.56	65.09	80.16	45.33	86.30	72.56
\$600 to \$699	86	100	66	120	186	2.95	3.48	3.40	3.12	3.21	61.84	76.30	41.00	83.13	69.00
\$500 to \$599	324	470	234	560	794	11.10	16.37	12.05	14.55	13.71	58.89	72.82	37.60	80.01	65.79
\$400 to \$499	204	298	145	357	502	6.99	10.38	7.47	9.27	8.67	47.79	56.45	25.55	65.46	52.08
\$300 to \$399	264	316	105	475	580	9.05	11.00	5.41	12.34	10.02	40.80	46.07	18.08	56.19	43.41
\$250 to \$299	250	302	94	458	552	8.56	10.52	4.84	11.90	9.53	31.75	35.07	12.67	43.85	33.39
\$200 to \$249	173	218	72	319	391	5.93	7.59	3.71	8.29	6.75	23.19	24.55	7.83	31.95	23.86
\$150 to \$199	183	183	40	326	366	6.27	6.37	2.06	8.47	6.32	17.26	16.96	4.12	23.66	17.11
\$100 to \$149	189	161	30	320	350	6.47	5.61	1.55	8.31	6.04	10.99	10.59	2.06	15.19	10.79
\$50 to \$99	98	92	7	183	190	3.36	3.20	.36	4.75	3.28	4.52	4.98	.51	6.88	4.75
Under \$50	34	51	3	82	85	1.16	1.78	.15	2.13	1.47	1.16	1.78	.15	2.13	1.47
Total	2,919	2,872	1,942	3,849	5,791	100.00	100.00	100.00	100.00	100.00					

Based on table 17.

TABLE 18.—*Insured members of 701 families holding industrial insurance exclusively classified according to amounts of insurance in force on their respective lives*

[Separate distributions are shown for males and females, breadwinners and others, and members of families in the 3 indicated economic levels]

Amounts of insurance in force on individuals	Economic status, average annual income per family member												Total family members			
	Under \$300						\$300 to \$599						\$600 and over			
	Male			Female			Male			Female			Male			
	Breadwinners	Others	Total	Breadwinners	Others	Total	Breadwinners	Others	Total	Breadwinners	Others	Total	Breadwinners	Others	Total	All
\$2,000 to \$2,500.....	2	—	2	—	2	2	4	—	4	—	2	2	1	—	1	1
\$1,500 to \$1,999.....	25	1	26	3	5	8	14	2	16	2	3	5	13	3	9	5
\$1,000 to \$1,499.....	12	—	12	2	3	5	—	—	—	2	3	8	11	1	20	9
\$900 to \$999.....	8	1	9	1	9	10	13	3	16	6	7	13	1	—	1	5
\$800 to \$899.....	13	7	20	1	16	17	14	6	20	4	12	16	4	2	22	11
\$700 to \$799.....	12	11	23	1	17	18	16	2	18	5	9	14	3	4	31	16
\$600 to \$699.....	45	35	80	9	71	80	33	19	52	21	54	75	10	2	88	47
\$500 to \$599.....	33	31	64	5	73	78	25	14	39	17	33	50	11	3	69	31
\$400 to \$499.....	20	83	103	8	89	97	27	30	57	13	42	55	6	3	63	13
\$300 to \$399.....	23	78	101	10	110	120	17	16	33	5	40	45	6	2	53	29
\$250 to \$299.....	17	37	54	9	73	82	8	22	30	4	41	45	3	—	46	116
\$200 to \$249.....	12	73	85	3	92	95	2	10	12	5	15	20	2	2	28	143
\$150 to \$199.....	7	79	86	2	65	67	5	13	18	2	12	14	1	—	13	87
\$100 to \$149.....	2	41	43	1	37	38	—	9	9	—	13	13	—	1	2	51
\$50 to \$99.....	1	13	14	—	25	26	2	3	5	—	4	4	—	—	3	16
Under \$50.....	232	490	722	55	638	743	182	149	331	87	295	382	65	19	479	658
Total.....	2,349	1,694	4,043	655	1,036	1,711	84	53	87	34	53	87	176	1,036	1,212	1,694

TABLE 18A.—Insured members of 701 families holding industrial insurance exclusively classified according to amounts of insurance in force on their respective lives—Percentages

(Arranged according to sex and dependency status)

Amounts of insurance in force on individuals	Number of members				Percentages				Cumulative percentages						
	Male	Female	Bread-winners	Others	Total	Male	Female	Bread-winners	Others	Total	Male	Female	Bread-winners	Others	Total
\$2,000 to \$2,500.....	1	1	1	5	14	0.09	0.41	0.16	0.29	0.05	100.00	100.00	100.00	100.00	100.00
\$1,500 to \$1,999.....	9	5	9	4	65	.79	0.41	1.37	0.24	.60	99.91	100.00	99.84	100.00	99.95
\$1,000 to \$1,499.....	55	20	61	4	35	4.84	1.65	9.31	.89	2.77	99.12	99.59	98.47	99.71	99.35
\$500 to \$999.....	16	19	20	15	20	1.41	1.57	3.05	1.24	1.49	94.28	97.94	89.16	99.47	96.58
\$300 to \$899.....	27	24	30	21	51	2.37	1.98	4.58	1.24	2.17	92.87	96.37	86.11	98.53	95.09
\$700 to \$799.....	44	39	38	45	83	3.87	3.22	5.80	2.66	3.53	90.50	94.39	81.53	97.34	92.92
\$500 to \$699.....	47	40	41	46	87	4.14	3.30	6.26	2.72	3.70	86.63	91.17	75.73	94.08	89.39
\$300 to \$599.....	144	171	122	193	315	12.66	14.11	18.63	11.39	13.41	82.49	87.87	69.47	91.96	85.69
\$400 to \$499.....	117	145	98	174	272	10.29	11.96	14.96	10.27	11.58	69.83	73.76	50.84	80.57	72.28
\$200 to \$399.....	169	161	76	254	330	14.86	13.28	11.60	14.99	14.05	59.54	61.80	35.88	70.30	60.70
\$250 to \$299.....	143	173	67	249	316	12.58	14.27	10.23	14.70	13.45	44.68	48.52	24.28	55.31	46.65
\$200 to \$249.....	87	132	42	177	219	7.66	10.89	6.41	10.45	9.32	32.10	34.25	14.05	40.61	33.20
\$150 to \$199.....	101	118	26	193	219	8.88	9.74	3.97	11.39	9.32	24.44	23.36	7.64	30.16	23.88
\$100 to \$149.....	105	83	18	170	188	9.23	6.85	2.75	10.04	8.00	15.56	13.62	3.67	18.77	14.56
\$50 to \$99.....	53	51	3	101	104	4.66	4.21	.46	5.96	4.43	6.33	6.77	.92	8.73	6.56
Under \$50.....	19	31	3	47	50	1.67	2.56	.46	2.77	2.13	1.67	2.56	.46	2.77	2.13
Total.....	1,137	1,212	655	1,694	2,349	100.00	100.00	100.00	100.00	100.00	-----	-----	-----	-----	-----

Based on table 18

TABLE 19.—*Insured families classified according to size of family and percentage of family income paid in premiums*

Percentage of family income paid for premiums	Nonrelief families											Relief families											Total fam-ilies
	Size of family: Number of persons per family											Size of family: Number of persons per family											
	1	2	3	4	5	6	7	8	9	10 and over	Total fam-ilies	1	2	3	4	5	6	7	8	9	10 and over		
24 and over	1		1			1					3				1								1
22 to 23.9		1	1						1		3					1							1
20 to 21.9			1		1				1		3												1
18 to 19.9				2	1						3				1								2
16 to 17.9		1		2		1		1		1	17					6					1		2
14 to 15.9		4	3	1	4	3	1			1	16				1			1					3
12 to 13.9		1	3	5	5	2					16	1	1		3	2		2	1				10
10 to 11.9		12	10	8	12	7	6	3		1	69	2	5	1	1	5	1	1	1				17
9 to 9.9	1	7	9	8	7	8	5	2			47	1			2	2	3	1					9
8 to 8.9		7	13	28	6	8	7	3	2	2	76	1	2	1	4	5	2	1	1	3			20
7 to 7.9	1	14	26	24	16	2	5	4	2		94			1	4	5	2	5	3				20
6 to 6.9	1	13	25	23	12	10	6	5	1		96	1	5	3	4	1	2	3	2		1		22
5 to 5.9	1	21	28	34	26	12	15	3	6	2	148	2	5	6	8	9	8	6		1			46
4 to 4.9	5	27	56	38	14	9	3	6	2	3	163	2	5	15	10	7	4	7		1	1		52
3 to 3.9	2	29	44	37	21	6	3	3	3	1	167	4	14	20	14	10	5	4	2		1		74
2 to 2.9	8	24	42	41	19	15	10	1	2	2	164	5	6	8	10	6	7	3	2	1	2		50
1 to 1.9	5	23	25	27	13	7	1		2	5	108	3	5	10	12	6	1	4					41
0.1 to 0.9	1	7	19	11	5		2				45	2	2	7	3	3		3	2	1	1		24
0	5	9	2	1	2	1	1	2			23	2	3	3	4	3	3	1			2		21
Total	31	200	308	300	164	107	68	33	22	18	1,251	26	56	79	82	62	42	40	11	7	10		415

1 Families shown as paying zero percent of income for premiums held: Paid-up, extended term, or noncontributory group insurance.

TABLE 20.—*Insured families classified according to number of dependents and percentage of family income paid in premiums*

[The data are presented separately for nonrelief and relief families]

## NONRELIEF FAMILIES

Percentage of family income paid for premiums	Number of dependents per family										Total families	
	0	1	2	3	4	5	6	7	8	9		10 and over
24 and over.....	(1)	-----	(1)	-----	-----	(1)	-----	-----	-----	-----	-----	3
22 to 23.9.....	-----	1	-----	1	-----	-----	-----	-----	1	-----	-----	3
20 to 21.9.....	-----	-----	1	-----	1	-----	-----	-----	1	-----	-----	3
18 to 19.9.....	-----	1	1	1	-----	-----	-----	-----	-----	-----	-----	3
16 to 17.9.....	-----	1	-----	2	-----	2	-----	-----	1	-----	-----	6
14 to 15.9.....	1	4	2	2	3	3	1	-----	-----	1	-----	17
12 to 13.9.....	-----	2	3	5	5	1	-----	-----	-----	-----	-----	16
10 to 11.9.....	1	13	10	19	14	6	2	4	-----	-----	-----	69
9 to 9.9.....	1	9	9	7	9	6	6	1	-----	-----	-----	47
8 to 8.9.....	1	9	15	24	8	9	6	1	3	-----	-----	76
7 to 7.9.....	2	20	24	20	16	3	4	4	1	-----	-----	94
6 to 6.9.....	2	17	30	21	12	7	5	2	-----	-----	-----	96
5 to 5.9.....	6	24	28	37	25	13	9	2	3	-----	1	148
4 to 4.9.....	8	45	47	35	13	5	3	3	2	-----	2	163
3 to 3.9.....	9	42	43	31	24	10	5	1	2	-----	-----	167
2 to 2.9.....	17	25	51	42	14	8	5	-----	-----	-----	2	164
1 to 1.9.....	13	34	29	16	7	3	1	1	1	2	1	108
0.1 to 0.9.....	2	15	17	7	3	-----	1	-----	-----	-----	-----	45
0 <sup>2</sup> .....	6	8	3	-----	3	1	-----	2	-----	-----	-----	23
Total.....	70	270	314	270	157	78	47	21	15	3	6	1,251

## RELIEF FAMILIES

Percentage of family income paid for premiums	0	1	2	3	4	5	6	7	8	9	10 and over	Total families
24 and over.....	-----	-----	(1)	-----	-----	-----	-----	-----	-----	-----	-----	1
22 to 23.9.....	-----	-----	-----	-----	1	-----	-----	-----	-----	-----	-----	1
20 to 21.9.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
18 to 19.9.....	-----	-----	-----	1	-----	1	-----	-----	1	-----	-----	2
16 to 17.9.....	-----	1	-----	-----	-----	-----	-----	-----	-----	-----	-----	2
14 to 15.9.....	1	-----	-----	1	-----	-----	1	-----	-----	-----	-----	3
12 to 13.9.....	1	2	1	2	2	1	-----	1	-----	-----	-----	10
10 to 11.9.....	3	4	1	2	5	1	1	-----	-----	-----	-----	17
9 to 9.9.....	1	-----	2	2	1	2	1	-----	-----	-----	-----	9
8 to 8.9.....	2	2	3	3	5	2	3	-----	-----	-----	-----	20
7 to 7.9.....	-----	3	3	6	-----	5	3	-----	-----	-----	-----	20
6 to 6.9.....	2	4	4	4	-----	3	3	1	-----	-----	1	22
5 to 5.9.....	3	5	9	10	7	5	5	-----	2	-----	-----	46
4 to 4.9.....	7	6	13	9	8	1	7	-----	1	-----	-----	52
3 to 3.9.....	12	13	16	13	10	6	2	1	-----	-----	1	74
2 to 2.9.....	7	10	5	8	7	6	3	1	1	1	1	50
1 to 1.9.....	7	5	10	10	4	3	2	-----	-----	-----	-----	41
0.1 to 0.9.....	3	5	4	3	3	2	2	1	-----	-----	1	24
0 <sup>2</sup> .....	3	2	3	5	3	3	-----	-----	-----	1	1	21
Total.....	52	62	75	79	56	41	33	5	5	2	5	415

<sup>1</sup> In the case of nonrelief families, 1 family with no dependents paid 69.5%, 1 family with 2 dependents paid 27.0% and 1 family with 5 dependents paid 57.2% of income for premiums.<sup>2</sup> Families shown as paying zero percent of income for premiums held: paid-up, extended term, or non-contributory group insurance.<sup>3</sup> In the case of relief families, 1 family with 2 dependents paid 67.5% of its income for premiums.



TABLE 21.—*Insured families classified according to percentage of family income paid in premiums and economic status*

[This table shows the relation between the income level of the family and the proportion of income spent for life insurance]

Percent of family income paid as premiums	Nonrelief families				Relief families		
	Economic status: Average annual income per family member			Total families	Economic status: Average annual income per family member		Total families
	Under \$300	\$300 to \$599	\$600 and over		Under \$300	\$300 and over	
16 and over.....	12	4	2	18	5	1	6
14.0 to 15.9.....	10	4	3	17	3	0	3
12.0 to 13.9.....	8	7	1	16	7	3	10
10.0 to 11.9.....	33	30	6	69	13	4	17
9.0 to 9.9.....	19	21	7	47	7	2	9
8.0 to 8.9.....	28	40	8	76	12	8	20
7.0 to 7.9.....	39	41	14	94	15	5	20
6.0 to 6.9.....	23	58	15	96	20	2	22
5.0 to 5.9.....	45	73	30	148	35	11	46
4.0 to 4.9.....	25	95	43	163	33	19	52
3.0 to 3.9.....	30	88	49	167	48	26	74
2.0 to 2.9.....	31	90	43	164	34	16	50
1.0 to 1.9.....	14	40	54	108	28	13	41
0.1 to 0.9.....	8	23	14	45	12	12	24
0 <sup>1</sup> .....	14	5	4	23	17	4	21
Total.....	339	619	293	1,251	289	126	415

<sup>1</sup> Families shown as paying 0 percent of income for premiums held: paid-up, extended term, or non-contributory group insurance.TABLE 22.—*Families with industrial insurance classified according to economic status and percentage of industrial premiums paid on endowment policies*

Industrial endowment premiums as a percent of total industrial premiums	Nonrelief families				Relief families				Total families			
	Economic status: Average annual income per family member			Total families	Economic status: Average annual income per family member			Total families	Economic status: Average annual income per family member			Total
	0 to \$299	\$300 to \$599	\$600 and over		0 to \$299	\$300 to \$599	\$600 and over		0 to \$299	\$300 to \$599	\$600 and over	
100 percent.....	59	118	45	222	26	7	1	34	85	125	46	256
50 to 99 percent..	78	151	40	269	36	12	1	49	114	163	41	318
1 to 49 percent..	84	135	58	277	67	15	1	83	151	150	59	360
None <sup>1</sup> .....	93	148	74	315	139	67	8	214	232	215	82	529
Total.....	314	552	217	1,083	268	101	11	380	582	653	228	1,463
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
100 percent.....	18.79	21.37	20.74	20.50	9.70	6.93	9.09	8.95	14.60	19.14	20.18	17.50
50 to 99 percent..	24.84	27.36	18.43	24.84	13.43	11.85	9.09	12.89	19.59	24.96	17.98	21.74
1 to 49 percent..	26.75	24.46	26.73	25.57	25.00	14.85	9.09	21.84	25.95	22.97	25.88	24.60
None <sup>1</sup> .....	29.62	26.81	34.10	29.09	51.87	66.34	72.73	56.32	39.86	32.93	35.96	36.16
Total.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

<sup>1</sup> Families holding some industrial insurance, none of which is on the endowment plan, are represented by zero percentage.

TABLE 23.—*Percentage of family premiums paid on chief breadwinner*

[Families classified according to the number of dependents and the proportion of the family's insurance expenditure allocated to the chief breadwinner. The analysis is based on families carrying industrial insurance or industrial in combination with ordinary insurance only]

## NONRELIEF FAMILIES

Percent of premiums paid on chief breadwinner to total premiums	Number of dependents in family											Total
	0	1	2	3	4	5	6	7	8	9	10 and over	
100 percent.....	22	7	4	5	1							39
90 to 99 percent.....		1	2	1							1	5
80 to 89 percent.....	1	5	5	5	1	1						18
70 to 79 percent.....	2	11	5	5	4							27
60 to 69 percent.....	3	14	15	10	5	1	2					50
50 to 59 percent.....	4	19	28	14	6	4	2					77
40 to 49 percent.....	3	20	35	31	11	4	4		2			110
30 to 39 percent.....		18	36	39	20	8	5	2	1			129
20 to 29 percent.....	1	19	13	19	21	8	6	2	1	1	2	93
10 to 19 percent.....		14	9	13	6	6	5	1	2			56
1 to 9 percent.....	1			1	2	1	1					6
None (with breadwinners).....	4	16	34	25	12	9	4	5	2	2		113
None (without breadwinners).....				1	1						1	3
Total.....	41	144	186	169	90	42	29	10	8	3	4	726

## RELIEF FAMILIES

100 percent.....	9	3		1		1	2				1	17
90 to 99 percent.....												
80 to 89 percent.....				2			1	1				4
70 to 79 percent.....	1	2			2							5
60 to 69 percent.....	1	3	4	3			1					12
50 to 59 percent.....	4	5	2	5	2		2	1				21
40 to 49 percent.....		9	3	4	7	3	3					29
30 to 39 percent.....	2	5	9	12	5	7	5		2		1	48
20 to 29 percent.....	1	3	6	9	10	7	6					42
10 to 19 percent.....	3		4	5	5	2	2		1		1	23
1 to 9 percent.....		3	1	3	2	2	1					12
None (with breadwinners).....	2	9	13	14	13	7	5	2	1	1	2	69
None (without breadwinners).....	24	6	11	10	6	4	2					63
Total.....	47	48	53	68	52	33	30	4	4	1	5	345

TABLE 24.—Percentage of family income contributed by each breadwinner related to the percentage of family premiums paid on each breadwinner's insurance

[1268 breadwinners are cross-classified according to the proportion which each breadwinner contributes to the family income and according to the proportion of the family's premiums paid for the breadwinner's insurance. Data are presented for two classes of families: those in which there are one or two other members, and those in which there are three or more other members]

## BREADWINNERS IN FAMILIES WITH ONE AND TWO OTHERS

Premium on each breadwinner as a percent of total premiums	Percent of total family income contributed by each breadwinner										Total	Per-cent	Cum-ulative per-cent	
	Un-der 10	10 to 19	20 to 29	30 to 39	40 to 49	50 to 59	60 to 69	70 to 79	80 to 89	90 to 99				100
100 percent.....		1			1				2	2	9	15	2.58	2.58
90 to 99 percent.....									1		2	3	.52	3.10
80 to 89 percent.....						1	1			1	7	10	1.72	4.82
70 to 79 percent.....				1			3		1		14	19	3.27	8.09
60 to 69 percent.....			1	2	2	4	1	1		6	24	41	7.06	15.15
50 to 59 percent.....			2	2	3	2	5	4	3	2	36	59	10.15	25.30
40 to 49 percent.....		1	6	3	6	6	8	5	4	4	37	80	13.77	39.07
30 to 39 percent.....		4	7	7	10	10	5	10	6	2	35	96	16.52	55.59
20 to 29 percent.....		4	10	16	8	10	4	2	2	5	15	76	13.08	68.67
10 to 19 percent.....		5	12	14	5	6	2	2		1	10	57	9.81	78.48
1 to 9 percent.....		7	10	3	5	1			1			27	4.65	83.13
None with insurance <sup>1</sup> .....		1					3	1		2	4	11	1.89	85.02
None without insurance.....		4	6	14	8	4	3	6	4	6	32	87	14.98	100.00
Total.....		27	54	62	48	44	35	31	24	31	225	551	100.00	

## BREADWINNERS IN FAMILIES WITH THREE OR MORE OTHERS

100 percent.....			2	1				1	1	6	11	1.60	1.60	
90 to 99 percent.....						1					1	.15	1.75	
80 to 89 percent.....			1				1		2		7	11	1.60	3.35
70 to 79 percent.....									1	1	8	10	1.46	4.81
60 to 69 percent.....									2	1	18	21	3.06	7.87
50 to 59 percent.....				1	1	1	2	1	5	2	24	37	5.39	13.26
40 to 49 percent.....		1		1	3	1		6	8	4	50	74	10.77	24.03
30 to 39 percent.....		3	3	7	5	3	3	8	13	3	74	122	17.76	41.79
20 to 29 percent.....		5	6	8	7	6	1	14	11	6	48	112	16.30	58.09
10 to 19 percent.....	2	6	24	14	8	6	3	5	2		23	93	13.54	71.63
1 to 9 percent.....	3	12	15	10	5	2	1	1	1	4	3	57	8.30	79.93
None with insurance <sup>1</sup> .....			1	1	1	1	1		1	2	4	12	1.75	81.68
None without insurance.....	2	13	10	6	8	8	7	10	14	6	42	126	18.32	100.00
Total.....	7	40	62	49	38	29	19	45	61	30	307	687	100.00	-----

<sup>1</sup> Zero premiums on breadwinners with insurance occurs when the industrial or ordinary policies held are paid-up or extended term policies.

TABLE 25.—*Percentage of family premium paid on breadwinners' insurance related to the economic status of the family*

[The 1,071 families which carried industrial insurance or industrial in combination with ordinary insurance, are classified according to economic status and the percentage of total premiums paid for insurance on the breadwinners of these families]

Percent of premiums paid on all breadwinners to total premiums	Nonrelief families				Relief families			
	Economic status: Average annual income per family member			Total families	Economic status: Average annual income per family member			Total families
	Under \$300	\$300 to \$599	\$600 and over		Under \$300	\$300 to \$599	\$600 and over	
100 percent (without others <sup>1</sup> )	4	12	20	36	3	2	7	12
100 percent (with others <sup>2</sup> )	6	9	9	24	6	2	1	9
90 to 99 percent	0	3	4	7	0	1	0	1
80 to 89 percent	3	15	11	29	4	2	2	8
70 to 79 percent	8	23	16	47	4	2	2	8
60 to 69 percent	13	35	20	68	8	5	3	16
50 to 59 percent	18	51	17	86	17	6	2	25
40 to 49 percent	34	67	10	111	27	6	2	35
30 to 39 percent	53	61	9	123	35	11	3	49
20 to 29 percent	27	31	8	66	33	3	0	36
10 to 19 percent	13	18	3	34	13	1	0	14
1 to 9 percent	3	1	0	4	4	3	0	7
None (with breadwinners <sup>3</sup> )	39	40	9	88	52	7	2	61
None (without breadwinners <sup>4</sup> )	3	0	0	3	46	17	1	64
Total	224	366	136	726	252	68	25	345

<sup>1</sup> These data refer to families composed entirely of breadwinners.

<sup>2</sup> These data refer to families in which there were members other than breadwinners.

<sup>3</sup> These data refer to families in which there were breadwinners.

<sup>4</sup> These data refer to families in which there were no breadwinners.

TABLE 26.—*Age, sex, and insurance of family members—701 families*

The members of the 701 families with industrial insurance only are shown here classified according to present age, sex, and insurance status. In addition for each group of insured persons, the table shows the insurance in force, number of policies, annual premiums and per capita averages based thereon]

Present age	Number of insured persons		Number of uninsured persons		Percent of persons insured	
	Male	Female	Male	Female	Male	Female
70 and over.....	15	36	12	10	55.56	78.26
60 to 69.....	56	75	14	10	80.00	88.24
50 to 59.....	90	110	28	18	76.27	85.94
40 to 49.....	117	122	41	30	74.05	80.26
30 to 39.....	145	167	46	44	75.92	79.15
20 to 29.....	190	193	49	53	79.50	78.46
10 to 19.....	300	271	50	45	85.71	85.76
2 to 9.....	254	244	38	37	86.99	86.83
Under 2.....	37	41	14	25	72.55	62.12
Total.....	1,204	1,259	292	272	80.48	82.23
	Number of policies		Amount of insurance		Annual premiums	
70 and over.....	37	76	\$7,840	\$15,223	\$345	\$794
60 to 69.....	102	177	27,743	30,747	1,651	1,723
50 to 59.....	172	240	47,280	53,136	2,339	2,544
40 to 49.....	205	187	66,414	52,198	2,741	2,191
30 to 39.....	260	257	85,614	78,035	2,952	2,811
20 to 29.....	344	304	91,719	77,940	2,935	2,706
10 to 19.....	415	402	99,697	90,355	2,682	2,475
2 to 9.....	335	306	57,167	57,202	2,187	2,232
Under 2.....	41	47	2,196	2,544	315	397
Total.....	1,911	1,996	485,670	457,380	18,147	17,873
Average per insured person						
	Number of policies		Amount of insurance		Annual premiums	
70 and over.....	2.5	2.1	\$523	\$423	\$23.00	\$22.06
60 to 69.....	1.8	2.4	495	410	29.48	22.97
50 to 59.....	1.9	2.2	525	483	25.99	23.13
40 to 49.....	1.8	1.5	568	428	23.43	17.96
30 to 39.....	1.8	1.5	590	467	20.36	16.83
20 to 29.....	1.8	1.6	483	404	15.45	14.02
10 to 19.....	1.4	1.5	332	333	8.94	9.13
2 to 9.....	1.3	1.3	225	234	8.61	9.15
Under 2.....	1.1	1.1	59	62	8.51	9.68
Total.....	1.6	1.6	403	363	15.07	14.20

TABLE 27.—*Percentage of family income paid for industrial premiums—701 families*

[The 701 families carrying industrial insurance only are classified according to percent of income paid for insurance premiums. Separate distributions are shown for these families classified according to economic and relief status]

Percent of income paid for industrial premiums	Economic status: Average annual income per family member								Grand total families
	Nonrelief families				Relief families				
	Under \$300	\$300 to \$599	\$600 and over	Total families	Under \$200	\$200 to \$299	\$300 and over	Total families	
30 and over.....	1			1	1			1	2
28 to 29.9.....									
26 to 27.9.....									
24 to 25.9.....									
22 to 23.9.....	1			1	1			1	2
20 to 21.9.....									
18 to 19.9.....					1			1	1
16 to 17.9.....	1			1					1
14 to 15.9.....	3			3	2	1		3	6
12 to 13.9.....	1			1	4	2		6	7
10 to 11.9.....	12	4	1	17	7	3	2	12	29
9 to 9.9.....	4	5	1	10	2	3		5	15
8 to 8.9.....	11	9	5	25	5	4		9	34
7 to 7.9.....	14	9	1	24	9	2	4	15	39
6 to 6.9.....	7	9	1	17	6	8	1	15	32
5 to 5.9.....	18	15	5	38	15	13	4	32	70
4 to 4.9.....	16	35	9	60	13	15	12	40	100
3 to 3.9.....	17	30	12	59	15	22	17	54	113
2 to 2.9.....	22	39	8	69	18	12	13	43	112
1 to 1.9.....	8	20	19	47	5	16	9	30	77
0.1 to 0.9.....	6	6	3	15	3	6	8	17	32
None.....	8	2	1	11	10	4	4	18	29
Total.....	150	183	66	399	117	111	74	302	701

TABLE 28.—*Industrial premiums on breadwinners and on dependent children—701 families*

[The 701 families with industrial insurance only are classified according to the percent of their total premiums paid for insurance: (a) On all breadwinners and (b) on dependents under 16 years of age. Nonrelief and relief families are shown separately and in each class families are grouped according to economic status]

## NONRELIEF FAMILIES

	Economic status: Average annual income per family member											Total
	Un- der \$100	\$100 to \$199	\$200 to \$299	\$300 to \$399	\$400 to \$499	\$500 to \$599	\$600 to \$699	\$700 to \$799	\$800 to \$899	\$900 to \$999	\$1,000 and over	
Percent of premiums paid on all bread- winners:												
100.....	3	-----	6	5	6	5	6	2	4	-----	9	46
90 to 99.....						1						1
80 to 89.....	1	-----	2	3	1	-----	2	1	-----		1	11
70 to 79.....	1	-----	5	4	4	2	4	2	-----		1	23
60 to 69.....		1	7	4	8	3	2	1	2	-----	1	29
50 to 59.....		5	7	11	11	2	1	2	-----			39
40 to 49.....		7	10	15	7	9	2	3	-----			53
30 to 39.....		13	18	17	2	4	3	2	-----	1		60
20 to 29.....	2	6	9	9	2	2	1	1	1	-----	1	34
10 to 19.....		3	6	6	2	3	1	-----				21
1 to 9.....		2	-----								1	3
None.....	1	10	25	21	8	6	5	1	-----	2	-----	79
Total.....	8	47	95	95	51	37	27	15	7	3	14	399

TABLE 28.—*Industrial premiums on breadwinners and on dependent children—701 families—Continued*

## NONRELIEF FAMILIES—Continued

	Economic status: Average annual income per family member											Total
	Under \$100	\$100 to \$199	\$200 to \$299	\$300 to \$399	\$400 to \$499	\$500 to \$599	\$600 to \$699	\$700 to \$799	\$800 to \$899	\$900 to \$999	\$1,000 and over	
Percent of premiums paid on dependents under 16 years:												
100.....		1	9	7	3	3	2	1				26
90 to 99.....												
80 to 89.....		1	2	1								4
70 to 79.....	1	3	1	1								6
60 to 69.....		4	4	2	1							11
50 to 59.....	1	5	7	5	3	2						23
40 to 49.....		7	5	8	3	1						24
30 to 39.....		6	12	11	2	5	2					38
20 to 29.....	1	5	9	10	4	1	1					31
10 to 19.....		2	12	14	8	3	1					40
1 to 9.....			3	4	2	1	1					11
None.....	5	13	31	32	25	21	20	14	7	3	14	185
Total.....	8	47	95	95	51	37	27	15	7	3	14	399

## RELIEF FAMILIES

Percent of premiums paid on all breadwinners:												
100.....	1	6	2	2	1	2	2	4				20
90 to 99.....					1							1
80 to 89.....		2	2		1	2						7
70 to 79.....		2	1	1		2						6
60 to 69.....		1	7	1		1		1				11
50 to 59.....		7	8	3	1	1	1					21
40 to 49.....		13	10	2	2	2						29
30 to 39.....		16	13	6	4	1						40
20 to 29.....		19	9	2								30
10 to 19.....	2	7	1	1								11
1 to 9.....		3	1	3								7
None.....	2	36	57	12	9	2		1				119
Total.....	5	112	111	33	19	213	3	5	1			302
Percent of premiums paid on dependents under 16 years:												
100.....		9	13									22
90 to 99.....			1	1								2
80 to 89.....		2										2
70 to 79.....		4	1									5
60 to 69.....	1	2	4									7
50 to 59.....		12	9									21
40 to 49.....		16	10	1								27
30 to 39.....		18	9	3								30
20 to 29.....		10	12			1						23
10 to 19.....		8	13	2	2							25
1 to 9.....		4	3									7
None.....	4	27	36	26	17	12	3	5	1			131
Total.....	5	112	111	33	19	13	3	5	1			312

TABLE 29.—*Insurance on breadwinners and others—701 families*

[The 701 families with industrial insurance only are shown here grouped according to the number of dependent family members. In each group there is presented the data which show the relative importance of the insurance on various types of breadwinners and other persons in the family]

Families according to number of dependents	Number of—				Insurance in force	Annual premiums
	Fami- lies	Unin- sured persons	Insured persons	Policies		
<b>Families with no dependents:</b>						
Chief breadwinner earning 50 percent and over	44	3	41	78	\$19, 749	\$925. 52
Chief breadwinner earning less than 50 percent	11	2	9	24	5, 520	151. 24
Other breadwinners earning 50 percent and over			1	3	660	46. 25
Other breadwinners earning less than 50 percent		4	20	41	10, 151	360. 41
All other persons		4	23	39	8, 389	244. 24
Total	55	13	94	185	44, 469	1, 727. 66
<b>Families with 1 dependent:</b>						
Chief breadwinner earning 50 percent and over	114	18	96	212	55, 108	2, 201. 93
Chief breadwinner earning less than 50 percent	7	1	6	12	3, 645	114. 60
Other breadwinners earning 50 percent and over			1	1	265	11. 00
Other breadwinners earning less than 50 percent		6	33	67	15, 832	550. 98
All other persons		18	153	303	68, 627	2, 905. 04
Total	121	43	289	595	143, 477	5, 783. 55
<b>Families with 2 dependents:</b>						
Chief breadwinner earning 50 percent and over	117	34	83	157	49, 709	1, 939. 80
Chief breadwinner earning less than 50 percent	7	4	3	5	1, 417	45. 90
Other breadwinners earning 50 percent and over						
Other breadwinners earning less than 50 percent		9	40	88	19, 836	755. 41
All other persons		42	226	362	85, 555	3, 613. 38
Total	124	89	352	612	156, 517	6, 354. 49
<b>Families with 3 dependents:</b>						
Chief breadwinner earning 50 percent and over	126	34	92	166	50, 294	2, 016. 45
Chief breadwinner earning less than 50 percent	12	2	10	15	3, 623	160. 53
Other breadwinners earning 50 percent and over		2	4	4	1, 557	90. 30
Other breadwinners earning less than 50 percent		10	32	52	13, 476	434. 81
All other persons		42	335	495	111, 588	4, 469. 33
Total	138	140	473	732	180, 538	7, 171. 04
<b>Families with 4 dependents:</b>						
Chief breadwinner earning 50 percent and over	78	19	59	101	33, 013	1, 267. 96
Chief breadwinner earning less than 50 percent	3		3	8	2, 141	125. 45
Other breadwinners earning 50 percent and over						
Other breadwinners earning less than 50 percent		2	11	22	6, 390	236. 41
All other persons		38	304	414	92, 082	3, 401. 82
Total	81	59	377	545	133, 626	5, 031. 64



TABLE 29.—*Insurance on breadwinners and others—701 families—Continued*

Families according to number of dependents	Number of—				Insurance in force	Annual premiums
	Families	Uninsured persons	Insured persons	Policies		
Families with 5 or more dependents:						
Chief breadwinner earning 50 percent and over	112	27	85	150	51,917	2,214.21
Chief breadwinner earning less than 50 percent	9	3	6	8	2,175	48.65
Other breadwinners earning 50 percent and over		1				
Other breadwinners earning less than 50 percent		13	20	39	7,337	305.50
All other persons		150	603	821	170,739	5,796.13
Total	121	194	714	1,018	232,168	8,364.49
Families with no breadwinners	61	26	164	220	52,255	1,587.42
Grand total	701	564	2,463	3,907	943,050	36,020.29

TABLE 30.—*Percentage of industrial premiums paid for endowment insurance—701 families*

[The 701 families with industrial insurance only are shown classified according to the percentage of the family's total premiums paid for endowments. Nonrelief and relief families are shown separately and in each class, families are grouped according to economic status]

## NONRELIEF FAMILIES

Percent of industrial premiums paid for endowment insurance	Economic status: Average annual income per family member											Total
	Under \$100	\$100 to \$199	\$200 to \$299	\$300 to \$399	\$400 to \$499	\$500 to \$599	\$600 to \$699	\$700 to \$799	\$800 to \$899	\$900 to \$999	\$1,000 and over	
100	1	7	23	15	4	6	3	2		1	2	64
90 to 99			2	1		1		1				5
80 to 89		1	6	1		3	1				1	13
70 to 79		3	3	4	3	1	2					16
60 to 69		3	5	7	2	1	3					21
50 to 59	1		5	11	6	3			1			27
40 to 49		4	6	7	2		1	1		1	1	23
30 to 39		6	7	8	2	2	1				1	27
20 to 29		3	6	2	6	3	2	1			2	25
10 to 19	1	2	3	6	5		1	2	1			21
1 to 9		2		2	2		2				1	9
None	5	16	20	31	19	17	11	8	5	1	6	148
Total	8	47	95	95	51	37	27	15	7	3	14	399

## RELIEF FAMILIES

100		5	13	4				1				23
90 to 99		1	1	1								3
80 to 89		2	2				1					5
70 to 79		4	2									6
60 to 69		2	4	1	2							9
50 to 59		5	2	1	1	1						10
40 to 49	1	8	5						1			15
30 to 39		7	4	1	2	1						15
20 to 29		5	3									8
10 to 19		5	10	1								16
1 to 9		2	2									4
None	4	66	63	24	14	11	2	4				188
Total	5	112	111	33	19	13	3	5	1			302

TABLE 31.—*Insured families classified according to number of policies and economic status*

[This table shows the relation between average annual income per family member and the number of policies on members of the family. The information is shown for relief and non-relief families and for ordinary as well as industrial insurance]

## NON-RELIEF FAMILIES

Number of policies per family	Economic status: Average annual income per family member																	Total
	Under \$100	\$100 to \$149	\$150 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$349	\$350 to \$399	\$400 to \$449	\$450 to \$499	\$500 to \$599	\$600 to \$699	\$700 to \$799	\$800 to \$899	\$900 to \$999	\$1,000 to \$1,499	\$1,500 to \$1,999	\$2,000 and over	
All insurance:																		
30 and over.....						1		2		1				1				5
25 to 29.....					1			2		1			1					5
20 to 24.....				2	2	3	1	1	3	2								14
15 to 19.....		1		3	6	6	3	5	3	6	6	3	1		1			44
10 to 14.....	3	5	21	17	23	21	18	17	11	12	12	9	3	3	3	1		179
7 to 9.....	3	6	19	18	32	26	30	21	19	20	24	16	2	3	7	2	1	249
4 to 6.....	3	14	7	31	40	48	44	31	29	45	26	19	9	4	13			363
1 to 3.....	7	4	14	19	38	46	29	30	26	56	45	28	13	12	19	5	1	392
Total.....	16	39	61	90	142	151	125	109	91	143	113	75	29	23	43	8	2	1,251
Industrial:																		
30 and over.....								2		1								3
25 to 29.....					1	1		1		1			1	1				6
20 to 24.....				1	1	3		1										6
15 to 19.....		1		3	5	4	2	4	5	6	4	1						35
10 to 14.....	1	3	15	11	14	14	14	14	4	9	8	5	2	2	3			119
7 to 9.....	4	7	19	19	25	21	20	13	12	11	21	13	2	2	4	1		194
4 to 6.....	3	14	11	27	41	43	43	20	33	31	14	16	4	2	8	1		311
1 to 3.....	4	4	12	24	44	48	37	43	26	65	41	25	12	5	15	4		409
None.....	4	1	4	5	11	17	9	11	11	19	25	15	8	11	13	2	2	168
Total.....	16	30	61	90	142	151	125	109	91	143	113	75	29	23	43	8	2	1,251
Ordinary:																		
10.....	1																	
9.....																		
8.....																		
7.....				1	2			1						1			1	6
6.....				1	1											1		3
5.....					1		1	2	4	2	3	3			2	1		19
4.....				2	3	2	4	4	3	6	1	5		1	3			34
3.....			1	1	1	7	4	6	6	9	5	4	2	1	2	1		50
2.....		2	8	3	26	21	20	18	16	29	22	7	5	3	2	1		183
1.....	7	8	9	22	26	46	34	23	30	36	42	24	8	9	14	1	1	340
None.....	8	20	43	60	82	75	62	55	32	61	40	32	14	8	20	3		615
Total.....	16	30	61	90	142	151	125	109	91	143	113	75	29	23	43	8	2	1,251

## RELIEF FAMILIES

All insurance:																		
30 and over.....																		
25 to 29.....																		
20 to 24.....			1		1	1												3
15 to 19.....		2	4	2		1	1	2		1								13
10 to 14.....	2	8	10	6	5	1	1	5	3	1								42
7 to 9.....	1	12	16	16	6	5	4		1	4			1					66
4 to 6.....		18	29	27	21	5		4	4	7	1	2	1					119
1 to 3.....	2	8	24	31	37	11	24	13	6	8	3	5						172
Total.....	5	48	84	82	70	24	30	24	14	21	4	7	2					415

TABLE 31.—*Insured families classified according to number of policies and economic status—Continued*

## RELIEF FAMILIES

Number of policies per family	Economic status: Average annual income per family member																	Total
	Under \$100	\$100 to \$149	\$150 to \$199	\$200 to \$249	\$250 to \$299	\$300 to \$349	\$350 to \$399	\$400 to \$449	\$450 to \$499	\$500 to \$599	\$600 to \$699	\$700 to \$799	\$800 to \$899	\$900 to \$999	\$1,000 to \$1,499	\$1,500 to \$1,999	\$2,000 and over	
Industrial:																		
30 and over.....																		
25 to 29.....																		
20 to 24.....			1		1	1												3
15 to 19.....		1	2	2		1	1	2		1								10
10 to 14.....	2	9	11	5	4	1	1	4	2	1								40
7 to 9.....	1	12	16	13	6	4	3	1	1	4								61
4 to 6.....		18	27	29	19	4		3	4	5	1	1	2					113
1 to 3.....	2	5	22	25	35	12	19	12	5	9	2	5						153
None.....		3	5	8	5	1	6	2	2	1	1	1						35
Total.....	5	48	84	82	70	24	30	24	14	21	4	7	2					415
Ordinary:																		
10.....																		
9.....																		
8.....																		
7.....																		
6.....																		
5.....		1																1
4.....			1	1				1	1									4
3.....					1		2		1									4
2.....			3	4	1	2	1	2	2			1						16
1.....		2	7	11	4	3	5	5	1	3		2						43
None.....	5	45	73	66	64	19	22	16	9	18	4	5	1					347
Total.....	5	48	84	82	70	24	30	24	14	21	4	7	2					415

TABLE 32.—*Industrial policies in force in families of different size*

[This table shows the relation between the size of family and the total number of industrial policies on family members for the 1,463 families holding industrial insurance]

## NONRELIEF FAMILIES

Number of industrial policies per family	Size of family: Number of members per family										Total families
	1	2	3	4	5	6	7	8	9	10 and over	
35 to 39.....							1			2	3
30 to 34.....											
25 to 29.....					1		1	1	1	2	6
20 to 24.....						2	1	1	1	2	6
15 to 19.....		1	2	5	6	6	5	6	4		35
10 to 14.....		3	14	27	19	21	19	8	5	3	119
5 to 9.....	1	38	70	99	76	47	26	14	5	5	381
1 to 4.....	23	99	176	143	50	22	10	3	4	3	533
Total families.....	24	141	262	274	152	96	64	33	20	17	1,083
Total policies.....	52	532	1,060	1,407	983	729	626	346	220	253	6,208
Average industrial policies per family.....	2.17	3.77	4.05	5.14	6.47	7.59	9.78	10.48	11.00	14.88	5.73

TABLE 32.—*Industrial policies in force in families of different size—Continued*

## RELIEF FAMILIES

Number of industrial policies per family	Size of family: Number of members per family										Total families
	1	2	3	4	5	6	7	8	9	10 and over	
20 to 24.....							2		1		3
15 to 19.....				2	2	1	1	1	2	1	10
10 to 14.....		1	5	1	7	6	11	2	3	4	40
5 to 9.....	1	7	12	30	29	28	15	3		2	127
1 to 4.....	25	40	52	41	22	6	9	3		2	200
Total families.....	26	48	69	74	60	41	38	9	6	9	380
Total policies.....	43	145	265	354	361	294	310	66	88	60	2,006
Average industrial policies per family.....	1.65	3.02	3.84	4.78	6.02	7.17	8.16	7.33	14.67	8.89	5.28

## TOTAL FAMILIES

35 to 39.....							1			2	3
30 to 34.....											
25 to 29.....					1		1	1	1	2	6
20 to 24.....							4	1	2	2	9
15 to 19.....		1	2	7	8	7	6	7	6	1	45
10 to 14.....		4	19	28	26	27	30	10	8	7	159
5 to 9.....	2	45	82	129	105	75	41	17	5	7	508
1 to 4.....	48	139	228	184	72	28	19	6	4	5	733
Total families.....	50	189	331	343	212	137	102	42	26	26	1,463
Total policies.....	95	677	1,325	1,761	1,344	1,023	936	412	308	333	8,214
Average industrial policies per family.....	1.90	3.58	4.00	5.06	6.34	7.47	9.18	9.81	11.85	12.81	5.61

TABLE 33.—*Families and insurance carriers*

[All insured families classified according to the number of organizations in which they have insurance]

Number of life-insurance carriers <sup>1</sup> in which policies are carried	Number of families			Percent of totals		
	Nonrelief	Relief	All families	Nonrelief	Relief	All families
1.....	609	308	917	48.68	74.22	55.04
2.....	440	90	530	35.17	21.69	31.82
3.....	148	15	163	11.83	3.61	9.78
4.....	49	2	51	3.92	.48	3.06
5.....	5	0	5	.40	.00	.30
Total.....	1,251	415	1,666	100.00	100.00	100.00

<sup>1</sup> The term "carrier" includes organizations issuing industrial, ordinary, group, and fraternal life insurance.

TABLE 34.—*Families and industrial insurance carriers*

[Families paying industrial insurance premiums classified according to the companies in which they have insurance]

Company or combination of companies in which industrial policies are carried	Number of families in—			Total families
	1 company only	2 companies only	3 companies only	
Metropolitan.....	520			
Metropolitan and Prudential.....		48		
Metropolitan and John Hancock.....		131		
Metropolitan and Boston Mutual.....		21		
Metropolitan and Prudential and John Hancock.....			18	
Metropolitan and Prudential and Boston Mutual.....			3	
Metropolitan and John Hancock and Boston Mutual.....			9	
Prudential.....	132			
Prudential and John Hancock.....		51		
Prudential and Boston Mutual.....		3		
Prudential and John Hancock and Boston Mutual.....			1	
John Hancock.....	401			
John Hancock and Boston Mutual.....		18		
Boston Mutual.....	71			
Total.....	1, 124	272	31	<sup>1</sup> 1, 427

Company or combination of companies in which industrial policies are carried	Number of families with industrial policies in—			Total
	1 company only	2 companies only	3 companies only	
Metropolitan and Metropolitan in combination.....	520	200	30	750
Prudential and Prudential in combination.....	132	102	22	253
John Hancock and John Hancock in combination.....	401	200	28	629
Boston Mutual and Boston Mutual in combination.....	71	42	13	126
Total number of separate families.....	1, 124	272	31	<sup>1</sup> 1, 427

Company or combination of companies in which industrial policies are carried	Percent of families with industrial policies in—			Total
	1 company only	2 companies only	3 companies only	
Metropolitan and Metropolitan in combination.....	69.3	26.7	4.0	100
Prudential and Prudential in combination.....	51.6	39.8	8.6	100
John Hancock and John Hancock in combination.....	63.7	31.8	4.5	100
Boston Mutual and Boston Mutual in combination.....	56.4	33.3	10.3	100
Total number of separate families.....	78.7	19.1	2.2	100

<sup>1</sup> Of the 1,666 families with life insurance, these 1,427 families are making payments on industrial policies. It does not include extended industrial insurance or any industrial insurance on which no premiums are being paid.

TABLE 35.—*Lapse and cash surrender experience of families enumerated*

[The table summarizes available information regarding the lapsation or cash surrender of policies formerly held on membes of the family. Separate totals are shown for relief and non-relief families, for families insured at the time of enumeration as well as those which were then uninsured]

Relief status of families	Number of families reporting—			Percent of reporting families with lapsed or cash surrendered policies	Number of families not reporting	Total number of families
	Lapsed or cash surrendered policies	Number lapsed or cash surrendered policies	Total			
Families with Insurance:						
Nonrelief.....	371	828	1, 199	30. 94	52	1, 251
Relief.....	177	223	400	44. 25	15	415
Total.....	548	1, 051	1, 599	34. 27	67	1, 666
Families without insurance:						
Nonrelief.....	60	47	107	56. 07	78	185
Relief.....	120	53	173	69. 36	108	281
Total.....	180	100	280	64. 29	186	466
Grand total.....	728	1, 151	1, 879	38. 74	253	2, 132

TABLE 36.—*Preference as to frequency of premium payments*

[The 1,427 families which were paying premiums on industrial insurance are shown here classified according to whether they could or could not pay their premiums on a monthly basis, and whether they did or did not prefer to pay by the week. The families are segregated into non-relief and relief categories]

Number of families	Families		
	Nonrelief	Relief	Total
Could pay monthly:			
Preferred weekly.....	203	11	214
Did not prefer weekly.....	260	24	284
Total.....	463	35	498
Could not pay monthly:			
Preferred weekly.....	488	256	744
Did not prefer weekly.....	66	38	104
Total.....	554	294	848
Total families reporting.....	1, 017	329	1, 346
Families not reporting.....	50	31	81
Grand total.....	1, 067	360	1, 427

TABLE 37.—*Percentage of premiums paid on persons living away from family*  
 [171 families classified according to relative amounts of total family premium paid for insurance on persons living away from the family]

Percent of total premiums paid on persons living away from family	Number of families		
	Nonrelief	Relief	Total
100 percent.....		2	2
90 to 99 percent.....			
80 to 89 percent.....			
70 to 79 percent.....	1	2	3
60 to 69 percent.....	2	1	3
50 to 59 percent.....	1		1
40 to 49 percent.....	6	1	7
30 to 39 percent.....	14	6	20
20 to 29 percent.....	35	7	42
15 to 19 percent.....	20	12	32
10 to 14 percent.....	18	6	24
5 to 9 percent.....	22	4	26
1 to 4 percent.....	6	5	11
Total.....	125	46	171

TABLE 38.—*Insurance in force on which entire premiums were not currently paid out of family income*

Classes of insurance	Number of policies	Amount of insurance in force	Annual premiums
Industrial:			
Paid-up.....	55	\$9, 913	
Paid-up at reduced amount.....	9	525	
Extended term.....	192	47, 103	
Ordinary:			
Paid-up.....	24	21, 182	
Extended term.....	5	5, 000	
Group:			
Noncontributory <sup>1</sup> .....	134	123, 345	
Contributory <sup>2</sup> .....	251	294, 150	\$2, 815. 41
Total.....	670	501, 218	2, 815. 41

<sup>1</sup> Included in the 134 noncontributory policies are 3 mutual-benefit policies and 8 industrial or ordinary policies.

<sup>2</sup> Included in the 251 contributory policies are 20 mutual-benefit policies.

TABLE 39.—*Use of visiting nurse service*

[The Metropolitan Life Insurance Co. and the John Hancock Mutual Life Insurance Co. offer a free nursing service to their industrial policyholders. The facts relating to the use of this service are arranged according to the economic and relief status of the reporting families]

Economic status: Average annual income per family member	Families having made use of nursing service	Families having made no use of nursing service	Total families reporting	Families having made use of nursing service
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Percent</i>
<b>Nonrelief families:</b>				
\$600 and over.....	53	134	187	28.34
\$300 to \$599.....	191	283	474	40.30
Under \$300.....	140	123	263	53.23
<b>Total.....</b>	<b>384</b>	<b>540</b>	<b>924</b>	<b>41.56</b>
<b>Relief families:</b>				
\$600 and over.....	4	2	6	66.67
\$300 to \$599.....	27	56	83	32.53
Under \$300.....	100	103	203	49.26
<b>Total.....</b>	<b>131</b>	<b>161</b>	<b>292</b>	<b>44.86</b>
<b>Total families:</b>				
\$600 and over.....	57	136	193	29.53
\$300 to \$599.....	218	339	557	39.14
Under \$300.....	240	226	466	51.50
<b>Total.....</b>	<b>515</b>	<b>701</b>	<b>1,216</b>	<b>42.35</b>

TABLE 40.—*Use of savings institutions (other than life insurance) compared with use of life insurance*

[Families are here classified according to economic and insurance status and the answers to questions as to whether or not use was made of such savings institutions as: Savings banks, savings departments of banks, cooperative banks, postal savings, credit unions, or others]

## FAMILIES WITH INSURANCE

Economic status: Average annual income per family member	With savings	Without savings	Total reporting	Percent with savings	Number not reporting	Total
\$600 and over.....	188	104	292	64.4	14	306
\$300-\$599.....	256	443	699	36.6	33	732
\$0-\$299.....	97	509	606	16.0	22	628
<b>Total.....</b>	<b>541</b>	<b>1,056</b>	<b>1,597</b>	<b>33.9</b>	<b>69</b>	<b>1,666</b>

## FAMILIES WITHOUT INSURANCE

\$600 and over.....	21	13	34	61.8	7	41
\$300-\$599.....	17	108	125	13.6	19	144
\$0-\$299.....	22	254	276	8.0	5	281
<b>Total.....</b>	<b>60</b>	<b>375</b>	<b>435</b>	<b>13.8</b>	<b>31</b>	<b>466</b>

## ALL FAMILIES

\$600 and over.....	209	117	326	64.1	21	347
\$300-\$599.....	273	551	824	33.1	52	876
\$0-\$299.....	119	763	882	13.5	27	909
<b>Total.....</b>	<b>601</b>	<b>1,431</b>	<b>2,032</b>	<b>29.6</b>	<b>100</b>	<b>2,132</b>



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